

Reporting Period: Year ended 31 December 2014
 Previous Reporting Period: Year ended 31 December 2013

RESULTS FOR ANNOUNCEMENT TO THE MARKET

1. Key Information

	Year ended 31 December			Movement %
	2014 \$'000	2013 \$'000	Up/Down	
Revenue from ordinary activities	18	12	Up	50.0
Profit / (Loss) from ordinary activities after income tax attributable to members	5,021	(1,631)	Up	407.8
Net profit / (loss) for the period attributable to members	5,021	(1,631)	Up	407.8

2. Dividend

	Amount per security Cents	Franked amount per security at 30% Cents	Total Cents
Final			
2014 final dividend	Nil	Nil	Nil
2013 final dividend	Nil	Nil	Nil
Interim			
2014 interim dividend	1.9	Nil	1.9
2013 interim dividend	Nil	Nil	Nil

2014 Final Dividend

It is not proposed to pay a 2014 final dividend.

Capital Return

On 19 December 2014, members approved a return of capital of up to 9.5 cents per share. 9.5 cents per share (\$12,004,303) un-franked return of capital was remitted on 7 January 2015 (record date 30 December 2014).

3. Explanation

For explanation of the Group's results, refer to the Review of Operations and Outlook in Note 17 to these financial statements.

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ASX APPENDIX 4E
ORIENTAL TECHNOLOGIES INVESTMENT LIMITED
31 DECEMBER 2014
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$'000	2013 \$'000
Continuing Operations			
Revenue	4	18	12
Employee benefits expense		(315)	(195)
Other expenses	5	(760)	(463)
Loss before income tax		(1,057)	(646)
Income tax (expense) / benefit		-	-
Loss from continuing operations, net of tax		(1,057)	(646)
Discontinued Operation			
Profit / (Loss) from discontinued operation, net of tax	9 (b)	4,514	(1,663)
Profit / (Loss) for the year		3,457	(2,309)
Other comprehensive income:			
Item that will be reclassified to profit and loss when specific conditions are met:			
Foreign currency translation (loss) / gain, net of tax		(439)	3,926
Item that will not be reclassified to profit and loss:			
Loss from non-controlling interest on deconsolidation of subsidiary, net of tax		(8,390)	-
Total other comprehensive income for the year		(8,829)	3,926
Total comprehensive income for the year		(5,372)	1,617
Profit / (Loss) attributable to:			
Members of the parent		5,021	(1,631)
Non-controlling interest		(1,564)	(678)
		3,457	(2,309)
Total comprehensive income attributable to:			
Members of the parent		4,686	551
Non-controlling interest		(10,058)	1,066
		(5,372)	1,617
		Cents per Share	Cents per Share
Basic and diluted earnings / (losses) per share from continuing and discontinued operations			
Continuing		(0.8)	(0.5)
Discontinued	9 (b)	3.5	(1.3)
		2.7	(1.8)

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ORIENTAL TECHNOLOGIES INVESTMENT LIMITED
31 DECEMBER 2014
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	2014 \$'000	2013 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6	14,107	5,346
Term Deposit		-	500
Trade and other receivables	8	42	13,173
Inventories		-	13,813
Total current assets		14,149	32,832
Non-current assets			
Property, plant and equipment	10	-	18,177
Security deposit		-	93
Total non-current assets		-	18,270
Total assets		14,149	51,102
LIABILITIES			
Current liabilities			
Trade and other payables	11	185	7,648
Short-term borrowings		-	21,765
Provision	12	12,004	-
Total current liabilities		12,189	29,413
Non-current liabilities		-	-
Total liabilities		12,189	29,413
Net assets		1,960	21,689
EQUITY			
Issued capital	13	16,552	28,556
Reserves		1,353	2,921
Accumulated Losses		(15,945)	(19,797)
Parent interest		1,960	11,680
Non-controlling interest		-	10,009
Total equity		1,960	21,689
		Cents	Cents
Net tangible assets per share		1.6	17.2

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ORIENTAL TECHNOLOGIES INVESTMENT LIMITED
31 DECEMBER 2014
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$'000	2013 \$'000
Cash flows from operating activities			
Cash receipts from customers		20,175	56,072
Cash paid to suppliers and employees		(20,176)	(61,409)
Interest received		29	53
Finance costs		(507)	(1,275)
Income taxes paid		(1,022)	(202)
Net cash outflow from operating activities		(1,501)	(6,761)
Cash flows from investing activities			
Disposal of discontinued operation, net of cash disposed of	9 (a)	12,542	-
Purchase of property, plant and equipment		(256)	(822)
Refund for security deposit		-	21
Payment for term deposit		500	(500)
Proceeds from sale of property, plant and equipment		-	5
Proceeds from deposit received		-	983
Net cash inflow / (outflow) from investing activities		12,786	(313)
Cash flows from financing activities			
Proceeds from borrowings		-	5,405
Dividend paid to non-controlling interest		-	(820)
Dividend paid to Shareholders		(2,401)	-
Net cash inflow / (outflow) from financing activities		(2,401)	4,585
Net increase / (decrease) in cash and cash equivalents		8,884	(2,489)
Net foreign exchange differences		(123)	207
Cash and cash equivalents at beginning of year		5,346	7,628
Cash at the end of the financial year	6	14,107	5,346

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ORIENTAL TECHNOLOGIES INVESTMENT LIMITED
31 DECEMBER 2014
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Issued Capital	Accumulated Losses	Other Reserves	Total	Non- controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2013	28,556	(18,155)	728	11,129	9,013	20,142
Profit / (Loss) for the year	-	(1,631)	-	(1,631)	(678)	(2,309)
Other comprehensive income	-	-	2,182	2,182	1,744	3,926
Foreign currency translation Gain / (Loss)	-	-	-	-	(70)	(70)
Transfer between reserves	-	(11)	11	-	-	-
Shareholder contribution to the Company's subsidiary	-	-	-	-	820	820
Dividend paid by the Company's subsidiary	-	-	-	-	(820)	(820)
Dividend paid by the Company	-	-	-	-	-	-
Capital return by the Company	-	-	-	-	-	-
At 31 December 2013	28,556	(19,797)	2,921	11,680	10,009	21,689
At 1 January 2014	28,556	(19,797)	2,921	11,680	10,009	21,689
Profit / (Loss) for the year	-	5,021	-	5,021	(1,564)	3,457
Other comprehensive income	-	1,232	(1,568)	(336)	(8,494)	(8,830)
Foreign currency translation Gain / (Loss)	-	-	-	-	49	49
Transfer between reserves	-	-	-	-	-	-
Shareholder contribution to the Company's subsidiary	-	-	-	-	-	-
Dividend paid by the Company's subsidiary	-	-	-	-	-	-
Dividend paid by the Company	-	(2,401)	-	(2,401)	-	(2,401)
Capital return by the Company	(12,004)	-	-	(12,004)	-	(12,004)
At 31 December 2014	16,552	(15,945)	1,353	1,960	-	1,960

ASX APPENDIX 4E
 ORIENTAL TECHNOLOGIES INVESTMENT LIMITED
 31 DECEMBER 2014
 NOTES TO ASX APPENDIX 4E

1. ACCOUNTING POLICIES, ESTIMATION METHODS AND MEASUREMENT BASES

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual report and the last half-year report.

2. DETAILS OF CONTROLLED ENTITIES

There are no entities over which control has been gained or lost during the period.

3. JOINT VENTURES

There are no associates or joint venture entities

4. REVENUE

	Group	
	2014	2013
	\$'000	\$'000
Interest income	16	12
Other income	2	-
	<u>18</u>	<u>12</u>

5. OTHER EXPENSES

Other Expenses:

Technical and advisory fees	270	240
General and administrative costs	490	223
	<u>760</u>	<u>463</u>

6. CASH AND CASH EQUIVALENTS

Cash at bank and in hand - unrestricted	<u>14,107</u>	<u>5,346</u>
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	Per annum	Per annum
	%	%
Interest rates on cash at bank and in hand	<u>0.2</u>	<u>0.8</u>

7. CONTINGENT ASSET

	Group	
	2014	2014
	\$'000	\$'000
Cash at bank - restricted under bank guarantee	<u>2,512</u>	<u>-</u>

At 31 December 2014, RMB 15,994,446 (AUD 3,194,608) consideration for the Company's sale of Apollo remains held in the Company's Chinese bank account.

RMB 12,577,478 (AUD 2,512,129) of this amount held in China is restricted by a bank guarantee.

Release of the restricted cash is subject to approval by Camel and cannot be released until certain Apollo receivables are collected, product warranty period expires, and local Chinese tax clearance is obtained in writing. There may, therefore, need to be some further deductions from this amount.

Refer to Note 9 and Note 17 for more details.

8. TRADE AND OTHER RECEIVABLES (CURRENT)

	Group	
	2014	2013
	\$'000	\$'000
Trade receivables	-	12,185
Provision for doubtful debts	-	(53)
	-	12,132
Other debtors	42	1,041
	42	13,173

9. DISCONTINUED OPERATION

	Company	
	2014	2013
	\$'000	\$'000
Investment in Apollo	-	12,152

Set out below is the Oriental Technologies Investment Limited (Company) investment in Yangzhou Apollo Battery Company Limited (Apollo) as at 31 December 2014.

Apollo is a Sino-foreign joint venture enterprise established under the laws of the People's Republic of China since its incorporation. In July 2007, Apollo changed its registration from Sino-foreign joint venture enterprise to wholly foreign-owned enterprise under the laws of the People's Republic of China and continues its operation in Yangzhou City. Apollo's registered office is located at 18 Yangzijiang Road South, Yangzhou, China.

Subject to the laws of the People's Republic of China, Apollo's capital was held directly by the Company and the proportion of ownership interests held equalled the voting rights held by the Company. Apollo's country of incorporation or registration is also its principal place of business.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Company		Proportion of Non-controlling Interests	
		2014	2013	2014	2013
Yangzhou Apollo Battery Co. Ltd.	Yangzhou City, China	-	55.57%	-	44.43%

Apollo's financial statements used in the preparation of these consolidated financial statements were prepared for the period 1 January 2014 to 15 May 2014, the date Apollo was de-consolidated from the Group's accounts.

AASB 10 Consolidated Financial Statements only permits consolidation of a subsidiary where the investor controls an investee if and only if the investor has all the following:

- (i) power over the investee; and
- (ii) exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

As its exposure to Apollo's returns ceased on 15 May 2014, the Group de-consolidated Apollo effective 15 May 2014, and accounted for its Apollo investment as an asset held for sale notwithstanding as at 30 June 2014 the Company owned 55.57% of Apollo.

At its annual general meeting held on 22 May 2014, the Company obtained its shareholders' approval for the sale of its 55.57% equity interest in Apollo, which would result in a disposal of the Company's main undertaking.

On or about 11 September 2014, under the terms of the Equity Transfer Agreement, the Company and non-controlling shareholder Indeveno Industries Pty Ltd (Indeveno) agreed to transfer 100% of Apollo's equity to Camel. Refer to Note 7 and Note 17 for more details.

(a) Effect of disposal on the financial position of the Group

	2014	2013
	\$'000	\$'000
Current Assets	27,986	31,952
Non-current Assets	16,003	18,313
Current Liabilities	(26,902)	(28,397)
Non-current Liabilities	(44)	-
Net Assets	17,043	21,868
Net assets attributable to members of the parent	9,471	12,152
Consideration received, satisfied in cash	17,603	-
Cash and cash equivalents disposed of	(4,387)	-
Equity contribution by the Company to the discontinued operation	(960)	-
Net foreign exchange differences	286	-
Net cash inflow	12,542	-

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ORIENTAL TECHNOLOGIES INVESTMENT LIMITED
31 DECEMBER 2014

(b) Results of discontinued operation

	1 January 2014 to 15 May 2014 \$'000	Year ended 31 December 2013 \$'000
Revenue	21,750	59,769
Expenses	(24,723)	(61,571)
Results from operating activities	(2,973)	(1,802)
Income tax (expense) / benefit	-	139
Results from operating activities, net of tax	(2,973)	(1,663)
Gain on sale of discontinued operation	8,509	-
Tax on sale of discontinued operation	(1,022)	-
Profit / (Loss) from discontinued operation, net of tax	4,514	(1,663)
	Cents per Share	Cents per Share
Basic and diluted earnings / (losses)	3.5	(1.3)

(c) Cash flows from (used in) discontinued operation

	1 January 2014 to 15 May 2014 \$'000	Year ended 31 December 2013 \$'000
Net cash outflow from operating activities	(231)	(6,014)
Purchase of property, plant and equipment	(256)	(822)
Proceeds from sale of property, plant and equipment	-	4
Security deposit refund	-	21
Net cash outflow from investing activities	(256)	(797)
Proceeds from borrowings	-	6,387
Dividend paid	-	(1,763)
Net cash inflow from financing activities	-	4,624
Net decrease in cash and cash equivalents	(487)	(2,187)
Net foreign exchange differences	(123)	206
Cash and cash equivalents at the beginning of the period	4,997	6,978
Net cash at the end of the period	4,387	4,997

ASX APPENDIX 4E
 ORIENTAL TECHNOLOGIES INVESTMENT LIMITED
 31 DECEMBER 2014
 10. PROPERTY, PLANT AND EQUIPMENT

	Group	
	2014	2013
	\$'000	\$'000
<i>Land usage rights</i>		
At cost	-	1,276
Accumulated depreciation	-	(283)
	-	993
<i>Buildings - Leasehold</i>		
At cost	-	7,356
Accumulated depreciation	-	(2,722)
	-	4,634
Total land and buildings	-	5,627
<i>Plant and equipment</i>		
At cost	-	30,464
Accumulated depreciation & impairment	-	(18,028)
	-	12,436
Plant and equipment under construction	-	114
Total plant and equipment	-	12,550
Total non-current property, plant and equipment	-	18,177

ASX APPENDIX 4E
 ORIENTAL TECHNOLOGIES INVESTMENT LIMITED
 31 DECEMBER 2014
 10. PROPERTY, PLANT AND EQUIPMENT (continued)

	Group	
	2014	2013
	\$'000	\$'000
<i>Total land Usage Rights</i>		
Carrying amount at beginning of financial year	993	839
Depreciation	(10)	(24)
Effect of movement in foreign exchange	(65)	178
Deconsolidation	(918)	-
Carrying amount at end of financial year	-	993
<i>Total Buildings - Leasehold</i>		
Carrying amount at beginning of financial year	4,634	4,124
Depreciation	(122)	(305)
Effect of movement in foreign exchange	(288)	815
Reclassification from construction in progress	(4,224)	-
Carrying amount at end of financial year	-	4,634
<i>Total Plant & Equipment</i>		
Carrying amount at beginning of financial year	12,436	12,039
Additions	263	719
Disposals	-	(4)
Depreciation	(964)	(2,774)
Impairment (expense) / benefit	(245)	55
Effect of movement in foreign exchange	(753)	2,280
Reclassification from construction in progress	20	121
Deconsolidation	(10,757)	-
Carrying amount at end of financial year	-	12,436
<i>Total Construction in Progress</i>		
Carrying amount at beginning of financial year	114	111
Additions	20	102
Impairment expense	(110)	-
Effect of movement in foreign exchange	(4)	22
Reclassification to plant & equipment	(20)	(121)
Carrying amount at end of financial year	-	114

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 ORIENTAL TECHNOLOGIES INVESTMENT LIMITED
 31 DECEMBER 2014
 11. TRADE AND OTHER PAYABLES (CURRENT)

	Group	
	2014	2013
	\$'000	\$'000
Trade and sundry payables	185	6,665
Deposit payable – unsecured, interest free and with no fixed repayment term	-	983
	<u>185</u>	<u>7,648</u>

12. PROVISIONS (CURRENT)

Provision for capital return	<u>12,004</u>	-
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13. ISSUED CAPITAL

	2014		2013	
	Number of Shares	\$'000	Number of Shares	\$'000
Ordinary shares – no par value fully paid and authorised	126,361,087	16,552	126,361,087	28,556
	<u>126,361,087</u>	<u>16,552</u>	<u>126,361,087</u>	<u>28,556</u>

Movements in ordinary share capital

Date	Details	Number of shares	\$'000
1 Jan 2013	Opening balance	126,361,087	28,556
31 Dec 2013	Closing balance	<u>126,361,087</u>	<u>28,556</u>
1 Jan 2014	Opening balance	126,361,087	28,556
30 Dec 2014	Capital return (9.5 cents per share)	-	(12,004)
31 Dec 2014	Closing balance	<u>126,361,087</u>	<u>16,552</u>

On 19 December 2014, members approved a return of capital of up to 9.5 cents per share. 9.5 cents per share (\$12,004,303) un-franked return of capital was remitted on 7 January 2015 (record date 30 December 2014).

14. OPTIONS OUTSTANDING

There were no options outstanding at 31 December 2014 (2013 Nil).

15. SUBSEQUENT EVENTS

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the Group's operations, the results of these operations or the Group's state of affairs in future financial years, excepting:

- (i) On 19 December 2014, members approved 9.5 cents per share return of capital for the year ended 31 December 2014; and
- (ii) 9.5 cents per share (\$12,004,303) un-franked return of capital was remitted on 7 January 2015 (record date 30 December 2014).

16. DETAILS OF DIVIDEND OR DISTRIBUTION REINVESTMENT PLANS IN OPERATION

There is not a dividend or distribution reinvestment plan in operation.

17. REVIEW OF OPERATIONS AND OUTLOOK

(a) Sale of Apollo

On 23 July 2013, Oriental Technologies Investment Limited (Company) announced to the market that it had entered into a preliminary agreement with Indeveno Industries Pty Ltd (Indeveno), the non-controlling shareholder (44.43%) of Yangzhou Apollo Battery Company Limited (Apollo), and Camel Group Co. Ltd (Camel). In accordance with which the Company and Indeveno had agreed to assign 100% of the issued capital of Apollo to Camel (Apollo Equity).

Completion of the preliminary agreement was subject to the completion of due diligence by Camel and the approval of the Company's shareholders.

In accordance with the terms of the preliminary agreement, Camel completed its due diligence enquiries and the parties entered into a full form equity transfer agreement (Equity Transfer Agreement) that set out the terms and conditions on which the Company and Indeveno transferred their interests in Apollo to Camel.

(b) Shareholder Approval

At its annual general meeting held on 22 May 2014, the Company obtained its shareholders' approval for the sale of its 55.57% equity interest in Apollo, which would result in a disposal of the Company's main undertaking.

(c) Apollo Sale Part Proceeds

By 30 September 2014, the Company received \$15,718,682 from Camel into its Australia bank account.

This amount comprised the Company's share of part of the purchase price under the Equity Transfer Agreement.

Under the terms of the Equity Transfer Agreement, the Company and Indeveno agreed to transfer 100% of Apollo's equity to Camel.

(d) Dividend Paid

On 20 October 2014, the Company paid an un-franked special dividend of \$0.019 per share to its shareholders (record date 13 October 2014), totalling \$2,400,861.

(e) Return of Capital – Tranche 1

At a general meeting held 19 December 2014, the Company obtained its shareholders' approval to make a cash payment to its shareholders of up to \$0.095 per Share as a return of capital, representing a return of up to \$12,004,303 in total, in accordance with sections 256B and 256C of the *Corporations Act 2001 (Clth)*.

A return of capital totalling \$12,004,303 (\$0.095 per share) was paid on 7 January 2015 to the Company's shareholders (record date 30 December 2014).

(f) Return of Capital – Tranche 2

The Company is seeking to undertake a further capital reduction by making another cash payment to its shareholders from the final proceeds of the sale of the Company's interest in Apollo.

At the general meeting held 19 December 2014, the Company obtained its shareholders' approval to make a further cash payment to its shareholders of up to \$4,000,000 (\$0.031 per share), in accordance with sections 256B and 256C of the *Corporations Act 2001 (Clth)*.

Accordingly, the Company proposes to make a cash payment to its shareholders from the final proceeds of the sale of the Company's interest in Apollo of up to \$4,000,000.

The Company received its share of the first part of the purchase price under the Equity Transfer Agreement. The Company anticipates that, in accordance with the terms of the Equity Transfer Agreement, it will receive its share of the final proceeds of sale within 16 months from the date of Chinese regulatory approval. At the date of this report, receipt of the final purchase price is expected in Australia by end April 2015.

The Company is not in a position to determine the exact amount of the Tranche 2 capital return at this time, but will only be able to do so subsequent to release of the bank guarantee and completion of the Equity Transfer Agreement.

The amount of the second tranche will depend upon remittance of the remaining purchase price due to the Company in Australia, which at 31 December 2014 was RMB 15,994,446 (AUD 3,194,608) held in the Company's Chinese bank account, with RMB 12,577,478 (AUD 2,512,129) restricted by bank guarantee.

Release of the restricted cash is subject to approval by Camel and cannot be released until certain Apollo receivables are collected, product warranty period expires, and local Chinese tax clearance is obtained in writing. There may, therefore, need to be some further deductions from this amount.

Refer to Note 7 and Note 9 for more details.

The Board will determine the amount per Share returned to its Shareholders immediately prior to making the return. The total amount returned to its shareholders will not exceed \$4,000,000. The record date for determining entitlements to receive the return of will be announced at the relevant time.

(g) Outlook

On completion of the Equity Transfer Agreement, the Company will have disposed of its main undertaking.

The Board would then consider the future of the Company, including whether to identify new business opportunities, or to de-list the Company and distribute any remaining funds to its shareholders.

The Board will update its shareholders accordingly in due course.

18. OTHER INFORMATION REGARDING THESE ACCOUNTS

These accounts are in the process of being audited.