



Oriental Technologies Investment Limited

ABN 13 060 266 248

Level 19

2 Market Street

Sydney NSW 2000

Tel: 612 9286 5558

Fax: 612 9286 5559

23 January 2006

Company Announcements

Australian Stock Exchange Limited

20 Bridge Street

SYDNEY NSW 2000

Dear Sir/Madam

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED – RE-STRUCTURING OF CHINESE SUBSIDIARIES

OTI is an 80% shareholder in each of Yangzhou Hua Yang Battery Co. Limited ("YHBC") and Yangzhou Apollo Battery Co Limited ("YABC"). These two subsidiary companies are registered in China where YHBC operated the old factory and YABC operates the new factory and transact between each other on normal commercial terms and conditions..

As reported previously, the new factory is completed and operational. The majority of the plant and equipment of old factory was transferred to the new site during December 2004 and January 2005. Only the plate formation operation for dry charged batteries then operated at the original factory location.

At present, these two subsidiaries are now in the process of further re-structuring their businesses by closing down this old dry plate factory and transferring these operations to the newly constructed factory..

As reported in June 2005, YABC experienced some difficulty in re-financing its RMB 20 million (approximately AUD 3.3 million) loan facility.

As announced on 23 June 2005, this RMB 20 million loan facility was successfully re-financed without disruption to our business. We also announced that OTI would continue to explore alternative options to adequately capitalize our China operation for funding of growing working capital requirements, as business increases.

Those difficulties have now been addressed with the minority shareholders in each of YHBC and YABC agreeing to inject USD4 million into the capital of YABC; conditional upon YHBC merging into YABC.

As a result of this injection of funds and merger: OTI's 80% interest in YABC will reduce to 55.5%; and YABC's registered and paid up capital will total more than USD13 million.

This re-structuring still requires Chinese Government approval and compliance with local legal, accounting and regulatory requirements. These additional requirements are causing delays with finalizing the 2005 year end accounts.

OTI has been advised by YHBC and YABC that the transfer of business operations from YHBC to YABC involves accounting transfers that are incomplete at present.

As a result, it has not yet been possible for BDO Shanghai, the auditor for YHBC and YABC, to commence their audit review.

OTI expects that it will not be able to complete all necessary steps for it to lodge its audited financial statements by 16 March 2006, the deadline prescribed under the ASX Listing Rules.

In these circumstances, it is not possible at this stage to accurately estimate the period of delay. OTI will advise the market when it has more information about the proposed timing of completion of this audit.

Yours faithfully

George Su
Managing Director
(for and on behalf of
Oriental Technologies Investment Limited)