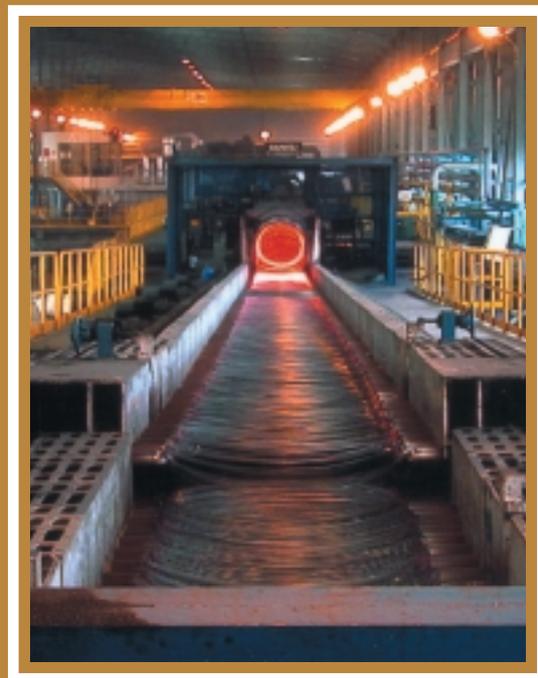




Vietnam Industrial Investments Limited

A.B.N. 64 063 656 333



Annual Report 2003

CORPORATE DIRECTORY

A.B.N. 64 063 656 333

ASX Code: VII

DIRECTORS

S. Lee, AO Chairman
A.A. Young Managing Director
(Chief Operating Officer)
H.V.H. Lam Managing Director
(Vietnam Operations)
K.M. Leong Non-Executive Director
D. Bacopanos Non-Executive Director

COMPANY SECRETARY

M.A. Clements

REGISTERED OFFICE IN AUSTRALIA

Level 5, 150 St George's Terrace
PERTH Western Australia 6000
Telephone: (618) 9322 2911
Facsimile: (618) 9322 2699
E-mail: vii@inet.net.au
Website: www.vii.net.au

AUDITORS

Ernst & Young
Level 34, Central Park
152-158 St George's Terrace
PERTH Western Australia 6000

LEGAL ADVISORS

Clayton Utz
Level 25, QV1 Building
250 St George's Terrace
PERTH Western Australia 6000

Deacons

Unit 303, Central Building
31 Hai Ba Trung Street
Hanoi
VIETNAM

BANKERS

Australia & New Zealand Banking Group
Limited
8 St Georges Terrace
PERTH Western Australia 6000

Bank of Western Australia Ltd
108 St George's Terrace
PERTH Western Australia 6000

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
Suite 1/770 Canning Hwy
APPLECROSS Western Australia 6153
Telephone: (618) 9315 0933
Facsimile: (618) 9315 2233

HOME EXCHANGE

Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH Western Australia 6000



VIETNAM OPERATIONS

VINAUSTEEL LTD

KM9, Vat Cach, Quan Toan
Hong Bang District
Haiphong
Telephone: (84) 31 850145
Facsimile: (84) 31 850 140
E-mail: vasteelhp@vinausteel.com.vn
Website: www.vinausteel.com.vn
Vinausteel also has sales offices in Hanoi,
Ho Chi Minh City, Da Nang, Nha Trang and
Vinh

AUSTNAM COMPANY LTD

112 Truong Chinh Street
Hanoi
Telephone: (84) 4 869 1579
Facsimile: (84) 4 869 1632
E-mail: austnam.hn@hn.vnn.vn

SSESTEEL LTD

KM9, Vat Cach, Quan Toan
Hong Bang District
Haiphong
Telephone: (84) 31 850818
Facsimile: (84) 31 850828
E-mail: sse@hn.vnn.vn

VRC WELDMESH (VIETNAM) LTD

70 Nguyen Van Luong Street
Ward 10, Go Vap District
Ho Chi Minh City
Telephone: (84) 8 8941217/894 2501
Facsimile: (84) 8 894 0964
E-mail: vrcvn-sgn@hcm.vnn.vn
Website: www.vrc.com.vn

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VIETNAM INDUSTRIAL INVESTMENTS LIMITED

An investment holding company investing in the developing economy of Vietnam

Mill stands in operation SSESTEEL

HIGHLIGHTS OF 2003

2003 was a year of strong growth in revenue under difficult market conditions.

CORPORATE

Sales Revenue from Vietnam Operations was VND 1,609 billion (A\$ 157.8 million) up 22% on 2002 of VND 1,320 billion.

Net Loss after tax A\$ 2.7 million (2002: profit: A\$ 1.8 million)

AUSTNAM METAL ROOFING (VII 68%)

Roofing sales were 989,586m² up 10% on 2002 (896,808m²)

Sales revenue VND 74 billion (A\$ 7 million), an increase of 25% on 2002 (VND 59.6 billion)

Net profit after tax VND 7 billion (A\$ 0.7 million) down 6% on 2002 (VND 7.5 billion)

SSESTEEL Ltd (VII 100%)

Wire rod production of 73,290 tonnes, down 27% on 2002 (101,351 tonnes)

Annual sales of 84,925 tonnes, down 10% on 2002 (93,840 tonnes)

Sales revenue VND 492 billion (A\$ 48 million), up 22% on 2002 (VND 402 billion)

Operating loss of VND 24 billion (A\$ 2 million) and a net loss of VND 40 billion (A\$ 4 million) (2002: VND 26 billion) after a provision for a foreign currency loss on a Euro Loan (VND 16 billion, A\$ 1.6 million)

VINAUSTEEL Ltd (VII 70%)

Steel bar production of 160,757 tonnes, down 20% on 2002 (200,379 tonnes)

Annual sales of 181,300 tonnes, down 6% on 2002 (193,111 tonnes)

Sales revenue VND 1,042 billion (A\$ 102 million) up 23% on 2002 (VND 844 billion)

Net profit after tax VND 42 billion (A\$ 4 million), down 21% on 2002 (VND 53 billion)

VRC WELDMESH (Vietnam) Ltd (VII 100%)

Annual sales of 2,416 tonnes, up 15% on 2002 (2,109 tonnes).

Sales revenue VND 18 billion (A\$ 1.8 million) up 20% on 2002 (VND 15 billion)

Net loss for the year VND 1.4 billion (A\$ 0.1 million) (2002: VND 420 million).

The past year was one of the most difficult for our operations in Vietnam.

The Group recorded an operating loss after tax attributable to members of \$2.7 million, a significant reversal from the profit of the previous year (2002 A\$ 1.8 million).

I am pleased to report that our factories in Vietnam are working well in an operational sense, even though economic conditions did not allow them to operate at their full potential. Despite the difficult trading conditions faced by the local steel industry due to rising raw material prices, increased competition and appreciation of the Australian dollar, we achieved record sales of VND 1,609 billion (A\$ 157.8 million) up 22% on 2002 VND 1,320 billion.

Vinausteel continues to act as a flag-ship for successful foreign investment in Vietnam. Vinausteel's turnover was VND 1,042 billion (A\$ 102 million) from sales of 181,300 tonnes and net profit after tax was VND 42 billion (A\$ 4 million). From these profits, the Board of management have declared dividends of VND 25 billion of which our share was VND 17.5 billion (A\$ 1.75 million). In order to improve efficiency in operation, the Board of management are also examining ways to upgrade the facility in terms of capacity and product quality.

Austnam Company Ltd achieved another record year of sales revenue with turnover of VND 74 billion (A\$ 7 million), an increase of 25% on the previous year in local terms. Net profit after tax was VND 7 billion (A\$ 0.7 million), slightly lower than the 2002 result of VND 7.5 billion. Austnam declared dividends totalling VND 1.62 billion of which our share was VND 1.47 billion (A\$ 0.17 million). A further VND 0.8 billion was declared subsequent to year end, of which our share was VND 0.54 billion (A\$ 0.05 million).

VRC Weldmesh (Vietnam) Ltd increased its sales volumes by 20% from 2002, recording sales revenue of VND 18 billion (A\$ 1.8 million) from 2,416 tonnes. The net loss from operations was VND 1.4 billion (A\$ 0.1 million) (2002: VND 0.4 billion).

SSESTEEL Ltd was in its second year of operation and has continued to produce adverse results. Although turnover increased to VND 492 billion (A\$ 48 million) from VND 402 billion in 2002, the operation recorded an operating loss of VND 24 billion (A\$ 2 million), (2002: VND 14.8 billion) and a net loss of VND 40 billion (A\$ 4 million), (2002: VND 26 billion) after the provision for a foreign currency loss on a supplier financed loan facility. Our management in Vietnam have worked hard to improve the gross margins and reduce costs, however the most significant factors impacting upon this operation have been the continuing rise in raw material prices and new entrants into the domestic steel market.

The economy of Vietnam continues to grow at a rapid rate. We believe that we will reap the benefits of having established operations in this market as this growth continues. Your Board continually evaluates opportunities to expand our investments in Vietnam and in the future, these may not be limited to business in the building materials sector.

Our focus continues to be the growth of our industrial group and delivering returns to our shareholders.

In recognition of Vietnam Industrial Investments Ltd success since its investment in this emerging market in 1995, your Company was awarded Hall of Fame Status at the inaugural Australian Business Awards Vietnam, sponsored by the Australian Chamber of Commerce Vietnam. The award acknowledged the Company as one of five Captains of Australian Business in Vietnam. The other four recipients of this award were ANZ Bank Limited Vietnam, BHP Steel Vietnam Limited, Foster's Vietnam Limited, and Telstra Vietnam Limited.

I would like to thank my fellow Board members for their continued support and efforts and on behalf of the Board, to thank our management and operational staff in Vietnam for their hard work over the past year.

SIMON LEE, AO



SSESTEEL factory in Haiphong.



One of the SEA Games stadiums - Austnam won contracts to supply roofing to 7 of 9 new stadiums built for the SEA Games in 2003.

REVIEW OF OPERATIONS

Vietnam Industrial Investments Limited ("VII") is an investment holding Company, which was formed specifically to invest in the developing economy of Vietnam. Following investment of \$9.8 million in seed capital, the Company raised a further \$12.5 million by an IPO and was listed on the Australian Stock Exchange in September 1995. Since implementing its first project, VII has acquired another two businesses and implemented a fourth project, without raising further capital. The holding Company has no debt and all working capital requirements and project funding have been sourced by the operating subsidiaries in Vietnam.

This review of operations reports on the period under review for the Company and its businesses in Vietnam, Austnam Company Ltd, SSESTEEL Limited, Vinausteel Limited and VRC Weldmesh (Vietnam) Ltd. This is followed by additional information on the legal structure and taxation concessions of the operations. Exchange rates at 31 December 2003 were US\$0.7500/A\$ and VND15,662/US\$ (31 December 2002 : US\$0.5662/A\$ and VND15,401/US\$).

CORPORATE

Group revenues were \$160 million, slightly down in A\$ terms on the previous year (2002 : \$163 million) and group operating loss attributable to members was \$2.70 million (2002 : profit: \$1.85 million).

Austnam Company Ltd (VII 68%)

Austnam produces steel roofing, wall cladding and associated materials from its factory in Hanoi. The Company has been in operation for ten years and was the first to introduce these products to North Vietnam. It has maintained an excellent reputation for supplying high quality products.

The Company achieved record growth in 2003 with sales of 989,586m², up 10% on the previous year (896,808m²). Net profit after tax was VND 7 billion (A\$0.7million), slightly down on 2002 (VND 7.5 billion).



AUSTNAM COMPANY LIMITED

SSESTEEL Ltd (VII 100%)

SSESTEEL owns and operates a fully automated high speed wire rod rolling mill based in Haiphong, the first company in Vietnam to introduce this advanced technology. It produces wire rod for the construction industry.

The Company achieved sales of 84,925 tonnes, 10% lower than 2002 (93,840 tonnes) and reported an operating loss of VND 24 billion (A\$ 2 million) (2002: VND 14.8 billion) and a net loss of VND 40 billion (A\$ 4 million) (2002: VND 26 billion) after a charge for an unrealised foreign exchange loss of VND 16 billion (A\$ 1.6 million) to provide for foreign exchange movements on a supplier financed loan facility for the wire rod mill.

sse steel



Vinausteel is supplying steel to a large apartment development in Hanoi.

Vinausteel Ltd (VII 70%)

Vinausteel has been operation for 7 years and produces concrete reinforcing steel bar from its factory in Haiphong and distributes its products throughout Vietnam.

The Company achieved sales of 181,300 tonnes, slightly lower than the previous year (2002: 193,111 tonnes) and revenues of VND 1,042 billion (A\$105 million), an increase of 23% on 2002 (VND 844 billion). Net profit after tax was VND 42 billion (A\$ 4 million) down 21% on the previous year (2002: VND 53 billion). Vinausteel declared dividends of VND 25 billion (VII share VND 17.5 billion) (A\$ 1.75 million).



vinausteel

VRC Weldmesh (Vietnam) Ltd (VII 100%)

The Weldmesh operation, located in Ho Chi Minh City, produces welded steel mesh for concrete reinforcing and welded steel fencing.

VRC Weldmesh achieved sales of 2,416 tonnes, an increase of 15% on 2002 (2,109 tonnes). The Company reported a loss of VND 1.4 billion (A\$ 0.1 million) (2002: VND 0.4 billion).



V.R.C. Weldmesh (VIETNAM) Ltd

VIETNAM OPERATIONS – ADDITIONAL INFORMATION

Following is additional information on the legal structure and taxation concessions of the operating subsidiaries in Vietnam.

Austnam Company Ltd

VII acquired the company in 1997 when it acquired all of the issued capital of Parnham Overseas Ltd through a wholly owned subsidiary, Ausviet Industrial Investments (S) Pte Ltd.

Austnam is a joint venture company established under the Foreign Investment Laws of Vietnam between Parnham Overseas Ltd ("POL") and Hanoi Building Materials Supply Company ("HBMS"). The Investment Licence was issued on 27 April 1992 for a term of 20 years with equity and profit sharing on the following basis:

	Years 1 – 10	Years 11 – 15	Years 16 – 20
POL percentage	73	68	63
HBMS percentage	27	32	37

Austnam receives concessional taxation rates of 19% on profits tax and withholding tax on dividends repatriated at 5% during the year. VII's share of current year profits have decreased from 73% to 68% from May 2002, however VII's equity share of legal capital, reserves and retained profits was adjusted to 70% by agreement.

SSESTEEL Ltd

SSESTEEL is a company established under the Foreign Investment Laws of Vietnam as a 100% foreign invested enterprise which received an Investment Licence on 8 August 1997 to manufacture steel construction beams and large diameter steel pipes. The Company obtained an amended Investment Licence on 16 November 1999 and 30 August 2000 and 10 November 2001 to enable it to produce steel wire rod for the construction industry.

SSESTEEL receives concessional taxation rates from the Government of Vietnam on its profit tax as follows:

Term	Taxation Rate
Year 1	Nil
Years 2 & 3	10%
Years 4 to 10	20%
Years 11 onwards	25%

Withholding tax on dividends repatriated was at a rate of 5%.

Vinausteel Ltd

Vinausteel is a joint venture company incorporated under the Foreign Investment Laws of Vietnam in terms of an Investment Licence issued on 20 June 1994 and various amendments. The current joint venture partners are VII with a 70% interest and the Vietnam Steel Corporation ("VSC") with a 30% interest.

The term of the joint venture is 30 years and this term may be extended by mutual agreement of the parties. Operational management of Vinausteel is determined by a Joint Venture Agreement, a Charter and board of management which comprises of 5 nominees of VII and 2 from VSC.

The joint venture receives concessional taxation rates from the Government of Vietnam on its profits tax as follows :

Term	Taxation Rate
First two profitable years	Nil
Years 3- 6	7.5%
Years 7 – 10	15.0%
Years 11 onwards	25.0%

Withholding tax on dividends paid to VII was 5% during the year.

VRC Weldmesh (Vietnam) Ltd

The Company was established under the Foreign Investments Laws of Vietnam as a 100% foreign invested enterprise in terms of an Investment Licence issued on 19 June 1993, for a term of 15 years.

Its profits tax rate is 23% and its dividend withholding tax rate is nil.

TAX SPARING

The "tax sparing" arrangements under the Taxation Agreement between Australia and Vietnam have been formalised and included on the listed incentives, which are subject to tax sparing, are income from business and trading activities established in Vietnam. VII should obtain the benefit of the tax sparing arrangement. The effect of this, is that income from operations in Vietnam will be quarantined from Australian Income Tax and VII will not be able to deduct expenses incurred on operations in Vietnam.

In terms of tax reform measures, from 2004 the Government in Vietnam has abolished withholding tax on dividends and taxation refunds for reinvestment.

Your directors present their report for the year ended 31 December 2003.

DIRECTORS

The names and details of the directors of the Company in office during the financial year and until the date of this report are:

(a) Names, qualifications, experience and special responsibilities:

Simon Lee, AO

Chairman

Mr Lee has had extensive management experience with a diverse range of business enterprises in a career that has based him in Asia, England, Canada and Australia. He is the chairman of Equigold NL and of Medical Corporation Australasia Ltd, and was a director of the Bank of Western Australia Ltd, which are public companies listed on Australian Stock Exchange Limited. Mr Lee has held a number of honorary positions which included Board Member of the Australian Trade Commission (AUSTRADE), Chairman of the Western Australian Museum Foundation Trust and President of the Western Australian Chinese Chamber of Commerce Inc. In 1993 he received the Advance Australia Award for his contribution to commerce and industry and in 1994 he was bestowed an Officer of the Order of Australia.

Alan Alexander Young

Managing Director

(Chief Operating Officer)

Mr Young commenced his business career in the financial sector and was employed for several years in banking and finance.

For the past twenty years he has gained wide experience in the administration of public companies, particularly in the resource sector. Mr Young was a non-executive director of Equigold NL a public company listed on the Australian Stock Exchange Limited. He is now based in Vietnam. He is a Fellow of the Institute of Corporate Managers, Secretaries and Administrators and immediate past President of the Western Australia-Vietnam Business Council Inc.

Henry (Van Hung) Lam

Managing Director

(Vietnam Operations)

Mr Lam, a resident of Vietnam, was born in Vietnam and came to Australia in 1977 and studied electrical engineering. He owned and managed several businesses in the retail sector before investing in Vietnam. Mr Lam is the General Director of Vinausteel Ltd and is responsible for the group's operations in Vietnam. He is fluent in Vietnamese and relocated his family to Vietnam in 1996 where he now resides. He was awarded the "Red Star" at the end of 2000, the first overseas Vietnamese to receive this, for his contribution to the economy of Vietnam.

Leong Kian Ming

Non-Executive Director

Mr Leong, a resident of Kuala Lumpur, Malaysia, is a Fellow of The Association of Chartered Certified Accountants (ACCA), UK and a member of the Malaysian Institute of Accountants. He has several years experience as Chief Financial Officer of a number of public-listed companies, and is the Chief Operating Officer and director of Overseas & General Limited and brings additional international experience to the Board.

Dimitri Bacopanos

Non-Executive Director

Mr Bacopanos is a Chartered Accountant and an Associate of the Securities Institute of Australia with broad corporate and professional experience in many industry sectors. Prior to joining the Company, Mr Bacopanos was a partner with an internationally affiliated accounting firm in Corporate Finance. He is also a director of Medical Corporation Australasia Ltd, a public company listed on the Australian Stock Exchange Limited.

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

(b) Interests in the Shares and Options of the Company and related bodies corporate

At the date of this report, the interests of the directors in the shares and options of the Company and related bodies corporate were:

	Note	Ordinary Shares	Options over Ordinary shares
Simon Lee	(1)	25,938,226	-
Alan Alexander Young	(2)	2,158,000	1,200,000
Henry Van Hung Lam	(3)	10,396,000	2,800,000
Kian Ming Leong	(4)	13,002,000	150,000
Dimitri Bacopanos	(5)	-	120,000

Notes:

- Mr S. Lee is a director and shareholder of Phoenix Properties International Pty Ltd as trustee for the Wellington Place Property Trust, and a beneficiary of that trust, which trust is the holder of 12,810,000 shares in VII. Mr S. Lee is a director and shareholder of SHL Pty Ltd which company is the holder of 13,128,226 shares in VII.
- Mr A A Young is the registered holder of 700,000 shares. Mr A A Young is a director and shareholder of Bayrunner Pty Ltd which company is the registered holder of 1,458,000 shares in VII.
- Mr H.V.H. Lam is the beneficial owner of 10,396,000 shares in VII.
- Mr K.M. Leong is an officer of a subsidiary of Land & General Berhad, which company is the registered holder of 13,002,000 shares in VII.
- Mr D. Bacopanos is the registered holder of 120,000 options, which were issued to him in accordance with the share option plan and following shareholder approval at the general meeting held 29 May 2003.

EARNINGS PER SHARE

	Cents
Basic earnings per share	(2.61)
Diluted earnings per share	(2.61)

DIVIDENDS

	Cents	\$'000
Dividends paid in the year:		
Final for the year 2002		
On ordinary shares	0.5	517

CORPORATE INFORMATION

Corporate Structure

Vietnam Industrial Investments Limited is a company limited by shares that is incorporated and domiciled in Australia. It is the ultimate parent entity. VII has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in the group's corporate structure at Note 29(c).

Employees

The consolidated entity employed 625 employees as at 31 December 2003 (2002: 593 employees).

Nature of Operations and Principal Activities

The principal activity of the consolidated entity during the course of the financial year was investment in Vietnam and the commercial operations at its two steel rolling mills in Haiphong, steel roofing factory in Hanoi, steel mesh and fencing factory in Ho Chi Minh City. No change in the nature of those activities has occurred during the period under review.

REVIEW AND RESULTS OF OPERATIONS

The consolidated entity loss after providing for income tax and outside equity interest for the financial year ended 31 December 2003 was \$2,699,398 (2002 profit \$1,853,854).

Vinausteel Limited

The Company holds 70% equity in a steel rolling mill in Haiphong through its shareholding in Vinausteel Limited, a joint venture company incorporated in Vietnam. Vinausteel produces concrete reinforcing steel bar. Sales for 2003 were 181,300 tonnes down 6% on the previous year (193,111 tonnes). Vinausteel reported a net profit of VND 42 billion (A\$ 4 million)(2002 profit: VND 53 billion).

Austnam Company Ltd

The Company holds 70% (reducing to 63% in 3 years) of Austnam Company Ltd, a joint venture company incorporated in Vietnam which manufactures steel roofing and wall cladding materials in Hanoi. Sales for 2003 were 989,586m² up 10% on the previous year (896,808m²). Austnam reported a net profit after tax of VND 7 billion (A\$ 0.7 million) which was slightly down on the 2002 result of VND 7.5 billion.

VRC Weldmesh (Vietnam) Limited

The Company acquired 100% of VRC Weldmesh (Vietnam) Limited at the end of January 1999. The company manufactures steel mesh and wire products serving the construction industry from its factory in Ho Chi Minh City. Sales for the year were 2,416 tonnes, an increase of 15% on year 2002 (2,109 tonnes). The Company reported a loss of VND 1.64 billion (A\$161,000) (2002 loss: VND 420 million or A\$50,000).

SSESTEEL Limited

The Company holds 100% of SSESTEEL Limited a steel rolling mill in Haiphong, which produces steel wire rod. Sales for the year were 84,925 tonnes, down 10% on the previous year (2002: 93,840 tonnes), producing revenues of VND 492 billion (A\$ 48 million) (2002: VND 402 billion). The Company reported an EBIT loss of VND 17 billion (A\$ 1.7 million) and a net loss of VND 41 billion (A\$ 4 million) after the provision for a foreign currency loss on a Euro loan (VND 16 billion, A\$1.6 million) (2002: VND 11.2 billion, A\$ 1.3 million).

DIVIDENDS

The decision regarding the declaration of a final dividend has been postponed pending review of operating results for the first half of 2004 (2002: \$516,600 based on 0.5 cents per share).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

In January 2004, the Board of Austnam Company Ltd resolved to declare a dividend of VND \$800 million (A\$ 68,240). Further, SSESTEEL Ltd is investing in additional equipment to produce rebar, which will expand its product range and revenue. The capital expenditure is US\$2.6 million, VII has invested an additional US\$1 million in increasing SSESTEEL's capital. The balance is to be funded by supplier finance and bank facilities. Commissioning and test production is planned for the end of the year.

Other than the above items, there has not arisen, in the interval between the end of the financial year and the date of this report, any further item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The likely developments in the operations of the consolidated entity and the expected results of those operations in the coming financial year are as follows:

- (a) Continued commercial production of reinforcing steel at Vinausteel's steel rolling mill in Haiphong, roofing and wall cladding at Austnam's factory in Hanoi, welded steel reinforcing and fencing at VRC's factory in Ho Chi Minh City and steel wire rod at SSESTEEL's rolling mill in Haiphong.
- (b) Trading conditions in Vietnam cannot be estimated with any certainty, however, if the same level of economic activity occurs as in 2003, then the Company's businesses there should continue to trade profitably and an improvement in SSESTEEL's operations should result.
- (c) The directors will continue to consider opportunities for growth of the Company's operations in Vietnam by expansion of existing operations and by investment in new projects.

DIRECTORS' AND OTHER EXECUTIVES' EMOLUMENTS

Due to the current level of activity in the Company and structure of the current board, all members of the board participate in remuneration policies and packages applicable to the Board members of the Company. The board remuneration policy is to ensure the remuneration package properly reflects the relevant person's duties and responsibilities; and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Directors do not receive any performance remuneration.

Details of the nature and amount of each major element of the emoluments of each director of the Company are shown over;

Director	Base salary	Non-cash benefits	Cash benefits	Superannuation contributions	Other (i)	Long Term Emoluments Options Granted (ii)		
						Number	\$	% of Remuneration
	\$	\$	\$	\$	\$			
S. Lee	53,125	2,821	-	4,631	-	-	-	-
A. A. Young (i)	99,749	-	-	-	37,971	-	-	-
H. V. H. Lam (i)	167,434	-	10,373	-	63,394	-	-	-
K. M. Leong	20,000	-	-	-	-	-	-	-
D. Bacopanos	20,000	-	-	-	-	120,000	2,043	9.3%
	360,308	2,821	10,373	4,631	101,365	120,000	2,043	

Notes:

- (i) The Company has a Consultancy Agreement with Waterbridge Ltd, an entity related to Mr H.V.H.Lam. Waterbridge Ltd agreed to provide to the Company the service of Mr H.V.H. Lam. Under the terms of this agreement, Waterbridge Ltd has been paid fees of \$16,734 (2002: \$65,928) and other expenses of \$46,660 (2002: \$36,914). The Company also incurs other expenses of \$37,971 (2002: \$21,976) for Mr A.A. Young in relation to his employment in Vietnam.
- (ii) Options granted as part of remuneration have been valued using the Black-Scholes option pricing model, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option.

There are no other executives involved in the management of the operations except those in executive positions in Vietnam.

DIRECTORS' MEETINGS

During the year 4 directors' meetings were held. The number of meetings at which directors were in attendance is as follows:

	No. of meetings held while in office	Meetings attended
S. Lee	4	4
A. A. Young	4	4
H.V. H. Lam	4	4
K. M. Leong	4	4
D. Bacopanos	4	4

There are frequent Board Meeting's in each of the Company's subsidiary companies in which members of the Vietnam Industrial Investments Limited Board participate. In addition to the above, there were two occasions where the Board approved matters by circular resolutions.

SHARE OPTIONS - UNISSUED SHARES

As at the date of this report there were 7,000,000 unissued ordinary shares under options to take up one ordinary share in Vietnam Industrial Investments Limited at an issue price of \$0.20. The options expire on 31 December 2004. Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate or in the interest issue of any other registered scheme.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Company support and have adhered to the principles of corporate governance. The company's corporate governance statement is contained within this annual report.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

INDEMNIFICATION AND INSURANCE OF DIRECTORS

During the financial year the Company has paid premiums of \$17,555 to indemnify all directors and officers against a liability for costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information acquired by virtue of their position as such an officer, to gain, directly or indirectly, an advantage for themselves or for any other person or to cause detriment to the Company.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

ALAN A. YOUNG
Director
Perth, 26 March 2004

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Vietnam Industrial Investments Ltd, I state that :

1. In the opinion of the directors:

(a) the financial statements and notes, of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including :

(i) giving a true and fair view of the financial position of the Company and consolidated entity as at 31 December 2003 and of their performance, for the year ended on that date; and

(ii) complying with Accounting Standards and Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

ALAN A. YOUNG

Director

Perth, 26 March 2004

This statement outlines the main Corporate Governance practices that were in place throughout the financial year, unless otherwise stated. These practices are dealt with under the headings of Board of Directors, Identifying and Managing Business Risks, Ethical Standards, Disclosure Policy and Dealing in Shares.

Board of Directors

The Board's primary role is the protection and enhancement of long-term shareholders value. To fulfil this role, the Board is responsible for the overall Corporate Governance of the economic entity, including its strategic direction and establishing goals for management. Due to the current level of activity in the Company and structure of the current Board, no committees have been formed, instead all members of the board participate in policy matters. For these reasons, the Company has not formed an audit committee at the present time.

The Board meets regularly in Australia and Vietnam, in order to retain full and effective control over the Company and monitor the executive management. The Board has established a framework for the management of the Company, including a system of internal control, a business risk management process and the establishment of appropriate ethical standards and procedures which allow directors to seek independent, professional advice at the Company's expense.

The Company is an investment holding company and does not have any operating businesses in its own right. The investments in Vietnam are all held through subsidiary or joint venture companies and each of those entities has its own management structure. The board of Vietnam Industrial Investment Limited has the responsibility to ensure that the boards of those operating companies have the required expertise. Vietnam Industrial Investments Limited is represented on the board of each of those operating entities.

Composition of the Board

The Board determines the nomination and selection of directors in accordance with the following principles:

- The Board shall have at least one non-executive director;
- The Board shall comprise directors with a range of expertise encompassing the current and proposed activities of the Company; and
- Where a vacancy is considered to exist, the board selects an appropriate candidate through consultation with external parties, consideration of the needs of the shareholder base and consideration of the needs of the Company. Such appointments are referred to shareholders at the next available opportunity for re-election in general meeting.

Identifying and Managing Business Risks

The Board regularly monitors the operational and financial performance of the Company and consolidated entity against key performance measures. The Board also reviews and receives advice where appropriate on areas of operational and financial risks. Appropriate risk management strategies are considered and implemented to mitigate strategies developed and implemented by the Board are consistent with the additional risks that the consolidated entity faces due to its investments in Vietnam.

Ethical Standards

Vietnam Industrial Investments Limited recognises the need for directors and employees to observe the highest standards of behaviour and business ethics in conducting its business, and intends to maintain a reputation of integrity.

Whilst the directors do not currently believe that the Company is of a size to warrant the development of formal ethical guidelines, the directors are at pains to ensure that their actions are appropriate and believe they provide the benchmark for their employees.

Disclosure policy

The directors strive to ensure that the market is fully informed on a timely basis of all material, price sensitive information regarding the Company.

In support of this objective, the Company has protocols in place to ensure that it meets its reporting and continuous disclosure obligations. The Company supports the Australian Securities and Investment Commission's 'Better Disclosure for Investors' guidance principles and believes its practices are consistent with these guidance principles.

The Company Secretary is the Company's nominated Communications Officer for liaising with the Australian Stock Exchange and is responsible for ensuring the Company's compliance with its legal and Stock Exchange reporting and disclosure obligations.

The text of all announcements is approved, as appropriate, by the Board or Executive Directors. The Communications Officer ensures that all price sensitive announcements are immediately sent to the Australian Stock Exchange as soon as practical, once a release has been approved.

No communication is permitted to any external third party about an announcement until confirmation that the communication has been released to the market has been received from the Australian Stock Exchange. Once confirmation has been received, the Company provides a copy of its release on its website at www.vii.net.au as soon as possible. The Company also provides a variety of other information on its website including annual reports, a corporate profile and other supporting company information.

Dealing in Shares

All directors have an obligation to immediately advise the Company of all changes to their interests in shares, options and debentures, if any, in the Company and its associates for reporting to the Australian Stock Exchange by the Company Secretary.

Directors and employees may not deal in securities of the Company when in possession of any information which, if made publicly available, could reasonably be expected to materially affect the price of the Company's securities, whether upwards or downwards. Legal advice will be obtained by the Company Secretary on behalf of the directors and employees in circumstances where any doubts exist.

STATEMENT OF FINANCIAL PERFORMANCE

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FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	CONSOLIDATED		THE COMPANY	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
SALES REVENUE	2	157,756	158,229	-	-
COST OF SALES	2	(142,623)	(140,093)	-	-
GROSS PROFIT	2	15,133	18,136	-	-
OTHER REVENUES FROM ORDINARY ACTIVITIES	2	2,190	4,745	2,995	8,906
FOREIGN EXCHANGE LOSSES	2	(2,951)	(1,384)	(795)	(7)
BORROWING COSTS EXPENSED	2	(2,839)	(2,806)	-	-
OTHER EXPENSES FROM ORDINARY ACTIVITIES	2	(11,888)	(13,307)	(2,090)	(4,396)
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		(355)	5,384	110	4,503
INCOME TAX (EXPENSE)/BENEFIT ATTRIBUTABLE TO ORDINARY ACTIVITIES	3	(893)	(1,384)	-	8
NET PROFIT/(LOSS)		(1,248)	4,000	110	4,511
NET PROFIT ATTRIBUTABLE TO OUTSIDE EQUITY INTEREST	22	(1,451)	(2,146)	-	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF Vietnam Industrial Investments Limited	21	(2,699)	1,854	110	4,511
Net Exchange Difference on Translation of Financial Report of Foreign Controlled Entity	21	(6,037)	(3,360)	-	-
TOTAL VALUATION ADJUSTMENTS ATTRIBUTABLE TO MEMBERS OF THE COMPANY AND RECOGNISED DIRECTLY IN EQUITY		(6,037)	(3,360)	-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTION WITH OWNERS AS OWNERS		(8,736)	(1,506)	110	4,511
Basic Earnings/(Loss) Per Share (Cents Per Share)	32	(2.61)	1.79		
Diluted Earnings/(Loss) Per Share (Cents Per Share)	32	(2.61)	1.74		
Partially Franked Dividend Per Share (Cents Per Share)	33	0.5	-		

STATEMENT OF FINANCIAL POSITION

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AS AT 31 DECEMBER 2003

	Note	CONSOLIDATED		THE COMPANY	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
CURRENT ASSETS					
Cash assets		8,520	4,125	2,059	2,569
Receivables	4	12,624	16,173	3,595	3,231
Inventories	5	17,081	44,656	-	-
Other financial assets	6	1,638	450	1,638	450
Other current assets	7	936	1,918	74	20
TOTAL CURRENT ASSETS		40,799	67,322	7,366	6,270
NON-CURRENT ASSETS					
Receivables	8	-	-	703	2,288
Other financial assets	10	205	1,830	23,610	23,419
Property plant and equipment	11	24,560	34,611	29	37
Other non-current assets	12	345	275	-	-
Deferred tax assets	13	166	166	166	166
TOTAL NON-CURRENT ASSETS		25,276	36,882	24,508	25,910
TOTAL ASSETS		66,075	104,204	31,874	32,180
CURRENT LIABILITIES					
Payables	14	15,178	23,189	173	75
Interest bearing liabilities	15	12,928	25,550	-	-
Provisions	16	953	1,724	33	30
Current tax liabilities	17	192	257	-	-
TOTAL CURRENT LIABILITIES		29,251	50,720	206	105
NON-CURRENT LIABILITIES					
Interest bearing liabilities	18	7,989	14,024	-	-
Deferred tax liabilities	19	21	21	21	21
TOTAL NON-CURRENT LIABILITIES		8,010	14,045	21	21
TOTAL LIABILITIES		37,261	64,765	227	126
NET ASSETS		28,814	39,439	31,647	32,054
EQUITY					
Parent Entity Interest					
Contributed equity	20	22,057	22,057	22,057	22,057
Reserves	21	(8,014)	(1,839)	-	-
Retained profits	21	8,659	11,918	9,590	9,997
Total Parent Entity Interest in Equity		22,702	32,136	31,647	32,054
Outside Equity Interest					
Contributed equity		7,303	8,271	-	-
Reserves		(1,989)	(900)	-	-
Retained profits		798	(68)	-	-
Total Outside Equity Interest in Equity	22	6,112	7,303	-	-
TOTAL EQUITY		28,814	39,439	31,647	32,054

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	CONSOLIDATED		THE COMPANY	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		160,293	152,035	-	-
Payments to suppliers and employees		(131,304)	(163,705)	(1,842)	(2,417)
Interest received		94	190	68	116
Borrowing costs		(2,839)	(2,806)	-	-
Dividends received		-	37	2,099	4,202
Income taxes (paid)/refund		(893)	(1,638)	-	8
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	23(a)	25,351	(15,887)	325	1,909
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for investments		(1,328)	(4,705)	(2,542)	(3,195)
Proceeds from sale of investments		1,174	3,749	1,174	3,749
Payments for property, plant & equipment		(1,341)	(2,072)	-	(3)
Proceeds from sale of plant & equipment		11	12	-	-
NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		(1,484)	(3,016)	(1,368)	551
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from bank borrowings		73,796	79,990	-	-
Repayment of bank borrowings		(89,702)	(62,106)	-	-
Proceeds from/(Loan) to controlled entity		-	-	1,653	(2,288)
Payment of dividend		(1,169)	(4,267)	(517)	(2,064)
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		(17,075)	13,617	1,136	(4,352)
NET INCREASE/(DECREASE) IN CASH HELD					
Add opening cash brought forward		4,125	9,800	2,569	4,493
Add exchange rate effect on opening cash balances		(2,397)	(389)	(603)	(32)
CLOSING CASH CARRIED FORWARD	23(b)	8,520	4,125	2,059	2,569

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with. The financial report has been prepared in accordance with the historical cost convention.

(b) Change in Accounting Policies

The accounting policies adopted are consistent with those of the previous year.

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Vietnam Industrial Investments Limited (the Company) and all entities which Vietnam Industrial Investments Limited controlled from time to time during the year and at reporting date.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

Subsidiary acquisitions are accounted for using the purchase method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

(d) Recoverable amount

Non-current assets are not carried at an amount above their recoverable amount and where carrying values exceed this recoverable amount, assets are written down. In determining recoverable amount the expected net cash flows have not been discounted to their present value using a market determined risk adjusted discount rate.

(e) Property, plant and equipment

Cost and valuation

Non-current assets comprising classes of property, plant and equipment are carried at cost.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment.

Major depreciation periods are :

	2003	2002
Buildings on Leasehold Land :	2.5% to 5%	2.5% to 5%
Plant and equipment :	5% to 20%	5% to 20%
Motor Vehicles :	10% to 20%	10% to 18%

(f) Foreign currencies

Translation of foreign currency transactions

Foreign currency transactions are converted to Australian dollars at exchange rates prevailing at the dates those transactions occurred. Amounts payable and receivable in foreign currency at the reporting date are converted to Australian dollars at exchange rates prevailing on that date. Exchange differences arising from the conversion of amounts payable and receivable in foreign currencies are recognised as revenues and expenses for the financial year.

Translation of accounts of overseas operations

The accounts of those overseas operations deemed to be self-sustaining as they are financially and operationally independent of Vietnam Industrial Investments Limited, are translated using the current rate method whereby any exchange differences are taken directly to the foreign currency translation reserve.

The accounts of those overseas operations deemed to be integrated operations are translated using the temporal method whereby any exchange differences are taken to the profit and loss.

(g) Cash and cash equivalents

Cash on hand and in banks and short term deposits are stated at nominal value.

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investment readily convertible to cash within two working days, net of outstanding bank overdrafts.

(h) Trade and Other Receivables

The accounting policies adopted in relation to trade and other receivables are set out in Note 34.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows;

- Raw materials – purchase cost on a first in – first out basis; and
- Finished goods – cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity

other than in Vinausteel Ltd and SSESTEEL Ltd where the cost is determined using the “moving average” method. Net realisable value represents the estimated selling price less anticipated costs of disposal and after making provision for damaged and slow-moving items.

(j) Loans and borrowings

The accounting policies adopted in relation to loans and borrowings are set out in Note 34.

(k) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts, based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

Employee benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave and other leave benefits; and
- other types of employee benefits

are charged against profits on a net basis in their respective categories.

The value of the Share Option Plan described in Note 30 is not being charged as an employee benefits expense.

(l) Trade and Other Payables

The accounting policies adopted in relation to trade and other payables are set out in Note 34.

(m) Other Non Current Assets**Goodwill**

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity.

Goodwill is amortised by the straight line method over the period during which benefits are expected to be received. This is taken as being 16 years in the case of Austnam Company Ltd, 20 years in the case of Vinausteel Limited.

Expenditure carried forward

Significant items of carry forward expenditure, such as start-up costs and project feasibility costs having benefit or relationship to more than one period, are capitalised and are written off over the periods to which such expenditure relates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONT.]**(n) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised :

Sale of Goods

Control of the goods has passed to the buyer.

Interest

Control of a right to receive the interest payment.

Dividends

Control of the right to receive the dividend payment.

(o) Derivative Financial Instruments

The accounting policies adopted in relation to financial instruments are set out in Note 34.

(p) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis.

The lease incentive liability in relation to the non-cancellable operating lease is being reduced on an imputed interest basis over the lease term (5 years) at the interest rate implicit in the lease.

Contingent rentals are recognised as an expense in the financial year in which they are incurred.

The lease liability in relation to the non-cancellable operating lease and Land Rental Leases are set out in Note 24.

(q) Investments

Current investments which are marketable securities are carried at the lower of cost and net market value.

Diminution in the costs are recognised as revenue or expense in determining the net profit for the period. All non-current investments are carried at the lower of cost and recoverable amount.

(r) Taxes**Income Taxes**

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the accounts and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

- where the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

(s) Earnings Per Share

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(t) Provisions

Dividends payable are recognised when a legal obligation to pay the dividend arises, which in the case of the Company, is when the Board releases the information to the Australian Stock Exchange.

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

(u) Construction in Progress

The cost of construction in progress comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing the steel plant to working condition for its intended use. The borrowing costs that are directly attributable to the construction of the steel plant are included in the costs of the steel plant. The amount of borrowing costs eligible for capitalisation on the steel plant are determined as the actual borrowing costs incurred on that borrowing during the year less any investment income on the temporary investment of those borrowings.

Administrative expenses and other general overhead costs that are directly attributed to the construction in progress are capitalised as part of the construction in progress.

(v) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(w) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

FOR THE YEAR ENDED 31 DECEMBER 2003

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
2. PROFIT/(LOSS) FROM ORDINARY ACTIVITIES				
Profit/(Loss) from ordinary activities before Income Tax is arrived at after taking into account:				
(a) Revenues from operating activities				
(b) Revenue from sale of goods	157,756	158,229	-	-
Cost of sales	(142,623)	(140,093)	-	-
Gross profit	15,133	18,136	-	-
Revenues from non-operating activities				
(c) Other revenues from ordinary activities				
- Dividend received				
Related parties (Partly-owned controlled entities)	-	-	1,493	4,927
Other corporations	-	37	-	37
- Interest received				
Other corporations	94	190	68	116
- Proceeds from sale of investments	1,174	3,749	1,174	3,749
- Proceeds from sale of plant & equipment	11	12	-	-
- Other income	911	757	260	77
	2,190	4,745	2,995	8,906
(d) Foreign exchange gains and (losses)				
- Unrealised foreign exchange loss	(2,245)	(1,483)	(720)	(140)
- Realised foreign currency gain/(loss)	(706)	99	(75)	133
	(2,951)	(1,384)	(795)	(7)
(e) Borrowing costs				
- Interest paid	(2,839)	(2,806)	-	-
(f) Other expenses from ordinary activities				
- Administration	(6,330)	(6,926)	(1,631)	(4,252)
- Selling	(2,111)	(3,839)	-	-
- Depreciation of non-current assets;				
Plant and Equipment	(2,275)	(1,508)	(8)	(10)
Buildings	(314)	(488)	-	-
Motor Vehicles	(79)	(119)	-	-
- Amortisation of goodwill	(18)	(19)	-	-
- Provision for diminution in value of investments	(178)	(16)	(178)	(16)
- Bad and doubtful debts – trade debtors	(22)	(64)	-	-
- Recovery/(Decrement) in value of inventories	193	(155)	-	-
- Operating lease rentals	(742)	(156)	(273)	(118)
- Amortisation of Preliminary feasibility expenses	(12)	(17)	-	-
	(11,888)	(13,307)	(2,090)	(4,396)
Profit/(Loss) from ordinary activities before income tax	(355)	5,384	110	4,503
(g) Other gains and (losses)				
- Net profit on sale of investments	189	457	189	457
- Net gain/(loss) on sale of plant & equipment	7	(1)	-	(1)
	196	456	189	456

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
3. INCOME TAX				
The prima facie tax, using tax rates applicable in the Country of operation on operating profit differs from the income tax provided in the financial statements as follows:				
Prima facie tax on profit from ordinary activities using applicable tax rates	13	866	33	1,351
Tax effect of permanent differences:				
Non-deductible expenditure	78	165	87	172
Non-assessable income	-	4	(448)	(1,474)
Tax differences on overseas operations	(120)	750	-	-
Income tax expense attributable to operating profit for current year	(29)	1,785	(328)	49
Unrecorded future income tax benefit arising from tax losses which could be recouped	922	-	328	-
Over provision of previous year	-	(401)	-	(57)
Total income tax provided on operating profit	893	1,384	-	(8)
Deferred tax assets and liabilities				
Current tax payable	192	257	-	-
Provision for deferred income tax- non-current	21	21	21	21
Future income tax benefit- non-current	166	166	166	166
Income tax losses				
Future income tax benefit arising from tax losses of a controlled entity not recognised at reporting date as realisation of the benefit is not regarded as virtually certain.	1,380	1,421	-	-
The future income tax benefit will only be obtained if:				
(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;				
(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and				
(c) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.				
4. RECEIVABLES (CURRENT)				
Trade debtors	12,706	15,242	-	-
Provision for Doubtful Debts	(133)	(155)	-	-
	12,573	15,087	-	-
Other debtors	51	1,086	51	86
Amounts receivable from related parties :				
Controlled entities	-	-	3,387	2,382
Dividends receivable from controlled entity	-	-	157	763
	12,624	16,173	3,595	3,231
Movement In Provision for Doubtful Debts				
Balance at beginning of year	(155)	(91)	-	-
Doubtful debts recovered/(provided) for during the year	22	(64)	-	-
Balance at end of year	(133)	(155)	-	-

FOR THE YEAR ENDED 31 DECEMBER 2003

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
5. INVENTORIES				
Finished goods at cost	9,914	21,917	-	-
Provision for slow moving stock	(51)	(244)	-	-
	9,863	21,673	-	-
Raw materials at cost	7,218	22,983	-	-
Total inventories	17,081	44,656	-	-
The group's operating subsidiaries in Vietnam have banking facilities which facilitate the importation of raw materials and finished goods and are secured by finished goods and raw materials.				
6. OTHER FINANCIAL ASSETS (CURRENT)				
Investments at cost comprise				
Shares listed on a prescribed stock exchange	1,832	466	1,832	466
Provision for diminution on listed shares	(194)	(16)	(194)	(16)
	1,638	450	1,638	450
Aggregate quoted market value of shares listed on a prescribed stock exchange	1,887	464	1,887	464
7. OTHER CURRENT ASSETS				
Prepayments	719	1,795	20	20
Advances to staff	72	123	-	-
Other	145	-	54	-
	936	1,918	74	20
8. RECEIVABLES (NON-CURRENT)				
Related parties:				
Loan to controlled entity	-	-	703	2,288
9. AMOUNTS PAYABLE/RECEIVABLE IN FOREIGN CURRENCY				
The Australian dollar equivalents of unhedged amounts payable or receivable in foreign currencies, calculated at year end exchange rates are as follows:				
Vietnamese Dong				
Amounts payable				
Current	24,890	47,499	-	-
Non Current	3,345	8,133	-	-
Amounts receivable				
Current	15,568	16,205	-	-
United States Dollars				
Amounts payable				
Current	3,321	-	-	-
Amounts receivable				
Current	-	-	703	2,288
Euro				
Amounts payable				
Non Current	4,644	5,890	-	-

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
10. OTHER FINANCIAL ASSETS (NON-CURRENT)				
Investments at cost comprise				
Unlisted controlled entities	-	-	23,502	23,419
Other unlisted entities	205	1,830	108	-
	205	1,830	23,610	23,419

Investment in controlled entities

Investment in controlled entities comprises

Name	Country of Incorporation	Beneficial percentage of ordinary shares held by Consolidated entity		Amount of VII Investment	
		2003 %	2002 %	2003 \$'000	2002 \$'000
Vietnam Industrial Investments Limited	Australia				
Vinausteel Limited (i) (viii)	Vietnam	70	70	12,554	12,554
Austnam Company Ltd (ii) (viii)	Vietnam	70	73	-	-
VRC Weldmesh (Vietnam) Ltd (iii) (viii)	Vietnam	100	100	-	-
Structure Steel Engineering Pte Ltd (iv) (ix)	Singapore	100	100	9,079	9,079
SSESTEEL Ltd (iv) (viii)	Vietnam	100	100	-	-
Ausviet Industrial Investments Ltd (v) (ix)	Singapore	100	100	1,131	1,131
Vietnam Projects (Singapore) Pte Ltd (vi) (ix)	Singapore	100	100	738	655
Vietnam Property Development Pte Ltd (vii) (ix)	Singapore	100	100	-	-
				23,502	23,419

- (i) Vinausteel Limited is a joint venture company established under the Foreign Investment Law of Vietnam. Vietnam Industrial Investments Limited has a 70 per cent interest in the legal capital of Vinausteel Limited and its liability is limited to the amount of legal capital contributed. Vinausteel was created under an Investment Licence issued by the Vietnamese Government and its operations are governed by a Joint Venture Agreement and Joint Venture Charter. Vietnam Industrial Investments Limited has the right to appoint five of the seven directors of the Board of Management and is entitled to 70 per cent of the after tax profit derived by Vinausteel Limited. While some decisions of the Board of Management require a unanimous decision under the Joint Venture Agreement and Charter, by virtue of the fact that:
- (a) Vietnam Industrial Investments Limited provided loan funds to the Joint Venturers to enable them to contribute their equity requirements, and
- (b) Vietnam Industrial Investments Limited is entitled to 70 per cent of the after tax profits derived by Vinausteel Limited, it is considered that Vietnam Industrial Investments Limited has the capacity to enjoy the majority of benefits and is exposed to the majority of risks in respect to Vinausteel Limited and therefore Vinausteel Limited has been treated as a controlled entity for the purpose of preparing the financial statements of the Vietnam Industrial Investments Limited entity.
- (ii) Austnam Company Ltd is a joint venture company established under the Foreign Investments Laws of Vietnam between Parnham Overseas Ltd and Hanoi Building Materials Supply Company. Vietnam Industrial Investments Limited acquired a 73% equity interest in Austnam Company Ltd in January 1997. From May 2002, VII reduced its share of current year profits to 68% however maintained a 70% share of legal capital, reserves and retained profits. It is considered that Vietnam Industrial Investments Limited has the capacity to enjoy the majority of benefits and is exposed to the majority of risks in respect to Austnam Company Ltd and therefore Austnam Company Ltd has been treated as a controlled entity for the purpose of preparing the financial statements of the Vietnam Industrial Investments Limited entity.
- (iii) On 31 January 1999, Vietnam Projects (Singapore) Pte Ltd, a wholly owned subsidiary of Vietnam Industrial Investments Limited, acquired VRC Weldmesh (Vietnam) Ltd from BRC Asia Pte Ltd. VRC holds a 100% foreign owned investment licence. There is a letter of support in place from Vietnam Industrial Investments Limited for these wholly owned subsidiaries.
- (iv) Structure Steel Engineering Pte Ltd is a company incorporated in Singapore for the purposes of holding the investment in SSESTEEL Ltd.

Vietnam Industrial Investments Limited is entitled to 100 per cent of the after tax profit derived by Structure Steel Engineering Pte Ltd and SSESTEEL Ltd.

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10. OTHER FINANCIAL ASSETS (NON-CURRENT) [CONT.]

- (v) Ausviet Industrial Investments Pte Ltd is a wholly owned subsidiary of Vietnam Industrial Investments Limited, which holds the investment in Austnam Company Ltd.
- (vi) Vietnam Projects (Singapore) Pte Ltd is a wholly owned subsidiary of Vietnam Industrial Investments Limited which was incorporated in Singapore to hold an investment in Vietnam. It holds 100% of VRC Weldmesh (Vietnam) Ltd.
- (vii) Vietnam Property Development Pte Ltd is a wholly owned subsidiary acquired by Vietnam Industrial Investments Limited. It is incorporated in Singapore to hold an investment in Vietnam.
- (viii) Controlled entity audited by other member firm of Ernst & Young International.
- (ix) Controlled entity audited by auditors other than Ernst & Young.

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
11. PROPERTY, PLANT AND EQUIPMENT				
Buildings on leasehold land				
At cost	6,743	9,020	-	-
Provision for depreciation	(1,736)	(1,961)	-	-
Total buildings	5,007	7,059	-	-
Plant and equipment				
At cost	26,297	34,813	84	84
Provision for depreciation	(7,349)	(7,808)	(55)	(47)
	18,948	27,005	29	37
Motor vehicles				
At cost	945	1,092	-	-
Provision for depreciation	(340)	(545)	-	-
Total motor vehicles	605	547	-	-
Total property, plant and equipment at cost	33,985	44,925	84	84
Provision for depreciation	(9,425)	(10,314)	(55)	(47)
Total written-down amount	24,560	34,611	29	37

(a) Reconciliations

Reconciliations of the carrying amounts of buildings on leasehold land at the beginning and end of the current and previous financial year.

Buildings on leasehold land

Carrying amount at beginning	7,059	8,332	-	-
Additions	345	22	-	-
Disposals	(17)	-	-	-
Depreciation expense	(314)	(488)	-	-
Net foreign currency movements arising from self-sustaining foreign operation	(2,066)	(807)	-	-
	5,007	7,059	-	-

Vinausteel Limited has been granted the lease of the land encompassing the steel mill operations for a period of thirty years from the date of issue of the Investment Licence. SSESTEEL Ltd has been granted a lease on the land on which the steel mill operations are situated, for the duration of the Investment Licence.

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Plant and equipment				
Carrying amount at beginning	27,005	31,481	37	44
Additions	727	1,615	-	3
Disposals	(4)	(1)	-	(1)
Net foreign currency movements arising from self-sustaining foreign operation	(6,506)	(4,629)	-	-
Capitalised interest	-	-	-	-
Depreciation expense	(2,275)	(1,508)	(8)	(9)
Transfer from Construction in Progress	1	47	-	-
	18,948	27,005	29	37
Motor Vehicles				
Carrying amount at beginning	547	305	-	-
Additions	268	435	-	-
Disposals	(1)	-	-	-
Depreciation expense	(79)	(119)	-	-
Net foreign currency movements arising from self-sustaining foreign operation	(130)	(74)	-	-
	605	547	-	-
Construction in Progress				
Carrying amount at beginning	-	47	-	-
Addition	1	-	-	-
Transfer to Plant and Equipment	(1)	(47)	-	-
	-	-	-	-
Assets encumbered to the extent set out in Note 15.				
12. OTHER NON-CURRENT ASSETS				
Preliminary and feasibility expenses at cost	521	526	-	-
Accumulated Amortisation	(367)	(460)	-	-
	154	66	-	-
Goodwill	321	321	-	-
Accumulated Amortisation	(130)	(112)	-	-
	191	209	-	-
Total written-down amount	345	275	-	-
13. DEFERRED TAX ASSETS				
Future income tax benefit	166	166	166	166

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	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
14. PAYABLES				
Trade creditors	13,742	21,312	106	75
Accruals	1,113	556	-	-
Advances from customers	6	36	-	-
Sundry creditors	316	1,285	-	-
GST payable	1	-	1	-
	15,178	23,189	107	75
Other payables				
Amounts payable to related parties: Controlled entities	-	-	66	-
	15,178	23,189	173	75
15. INTEREST BEARING LIABILITIES (CURRENT)				
Borrowings – bank (secured)	10,606	24,372	-	-
Borrowings – other (secured)	2,322	1,178	-	-
	12,928	25,550	-	-

The group's operating subsidiaries in Vietnam have banking facilities with various banks in Vietnam for working capital and project finance purposes. These facilities are secured by a chattel pledge of machinery, equipment and inventories of the subsidiaries and in certain instances, by the guarantee of Vietnam Industrial Investments Ltd of US\$13 million (2002 : US\$13 million). The group's operating subsidiaries also have finance facilities amounting to Euro 4.43 million (A\$7.4 million) with its main supplier of machinery and equipment to finance the purchase of machinery and equipment from this company. Refer Note 18.

At balance date, the group had financing facilities available totalling approximately A\$49 million (2002: A\$53 million) of which A\$22 million (2002: A\$39 million) has been used and A\$26 million (2002: A\$14 million) is unused.

The terms and conditions of these interest bearing liabilities are described in Note 34(a).

	Note	CONSOLIDATED		THE COMPANY	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
16. PROVISIONS (CURRENT)					
Dividend		661	1,426	8	5
Employee Entitlements	30	292	298	25	25
		953	1,724	33	30

Included in the provision for dividend is \$652,666 representing the outside equity interest's share of the dividend declared but not yet paid by controlled entities.

17. CURRENT TAX LIABILITIES					
Provision for income tax payable		192	257	-	-
18. INTEREST BEARING LIABILITIES (NON-CURRENT)					
Borrowings – bank (secured)		3,345	8,134	-	-
Borrowings – other (secured)		4,644	5,890	-	-
		7,989	14,024	-	-

Details of security over these facilities are outlined at Note 15.

19. DEFERRED TAX LIABILITIES					
Provision for Deferred Income Tax		21	21	21	21

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
20. SHARE CAPITAL				
(a) Issued and paid up capital				
103,320,002 fully paid ordinary shares	22,057	22,057	22,057	22,057
(2002: 103,320,002 fully paid ordinary shares)				

- (b) Share Options
Options over ordinary shares

Employee Share Plan

As at 31 December 2003 there are 7,000,000 options issued over ordinary shares, (2002 : 6,620,000) exercisable on or before 31 December 2004 at an exercise price of twenty cents. Details are provided in Note 30.

During the year a further 380,000 options issued to executives and employees of the Company and its related corporations in accordance with the share option plan.

- (c) Terms and Conditions of Contributed Equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
21. RESERVES AND RETAINED PROFITS				
Foreign currency translation	(9,119)	(3,082)	-	-
Legal	1,105	916	-	-
Other	-	327	-	-
	(8,014)	(1,839)	-	-

Foreign currency translation

- (i) Nature and purpose of reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations

- (ii) Movements in reserve

• balance at beginning of year	(3,082)	278	-	-
• loss on translation of overseas controlled entities	(6,037)	(3,360)	-	-
Balance at end of year	(9,119)	(3,082)	-	-

Legal

- (i) Nature and purpose of reserve

Under the Joint Venture Charter, 5% of operating profit after tax and transfer to other reserves, is appropriated to the legal reserve up to a maximum of 10% of invested capital of the enterprise. At the present time, there are no rules specifying the use that can be made of the reserve.

- (ii) Movements in reserve

• balance at beginning of year	916	820	-	-
• transfer from retained profits	43	372	-	-
• appropriation of profit/(transfer from reserves)	159	(178)	-	-
• appropriation of profit attributable to outside equity interest	(13)	(98)	-	-
Balance at end of year	1,105	916	-	-

FOR THE YEAR ENDED 31 DECEMBER 2003

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
21. RESERVES AND RETAINED PROFITS [CONT.]				
Other				
(i) Nature and purpose of reserve, under Vietnamese Law, funds are required to be appropriated to reserves for the purposes of a retrenchment, bonus and welfare fund. In December 2003, the provision was charged to the profit and loss account.				
(ii) Movements in reserve				
• balance at beginning of year	327	268	-	-
• appropriation of profit from reserve	-	72	-	-
• appropriation of profit attributable to outside equity interest	-	(13)	-	-
• transfer from reserve	(327)	-	-	-
Balance at end of year	-	327	-	-
Retained profits at the beginning of the financial year	11,918	12,502	9,997	7,552
Net profit/(loss) attributable to members of the Company	(2,699)	1,854	110	4,511
Total available for appropriation	9,219	14,356	10,107	12,063
Dividend provided for or paid	(517)	(2,066)	(517)	(2,066)
Aggregate of amounts transferred to reserves	(43)	(372)	-	-
	(560)	(2,438)	(517)	(2,066)
Accumulated profits at the end of the financial year	8,659	11,918	9,590	9,997
22. OUTSIDE EQUITY INTEREST				
Reconciliation of outside equity interest in Controlled entities :				
Balance at beginning of year	7,303	8,271	-	-
Add share of operating profit	1,451	2,146	-	-
Less distribution of profit by dividend	(653)	(2,214)	-	-
Add share of reserves of controlled entity	(1,989)	(900)	-	-
Balance at end of year	6,112	7,303	-	-

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
23. NOTES TO THE STATEMENT OF CASH FLOWS				
(a) Reconciliation of the operating profit/(loss) after tax to the net cash flows from operations				
Profit/(loss) from ordinary activities after tax	(1,248)	4,000	110	4,511
Non cash items :				
Depreciation and amortisation	2,698	2,151	8	10
Unrealised foreign exchange loss	2,245	1,483	720	140
Amounts set aside to provisions	156	76	178	17
Profit on sale of investments	(189)	(457)	(189)	(457)
(Profit)/loss on sale of plant and equipment	(7)	1	-	1
Transfer to reserves attributable to outside equity interest	(181)	(217)	-	-
Changes in assets and liabilities				
Receivables	785	(8,686)	(504)	(2,212)
Inventories	27,744	(17,506)	-	-
Other Current Assets	815	(883)	1	(2)
Other Non-Current Assets	(195)	(25)	-	-
Accounts payable	(3,900)	6,078	31	(64)
Provisions	168	28	(30)	(35)
Other Current Liabilities	(902)	1,182	-	-
Other Non-Current Liabilities	4	2	-	-
Outside equity interest	(2,642)	(3,114)	-	-
Net cash flow from/(used in) operating activities	25,351	(15,887)	325	1,909

(b) Reconciliation of cash:

Cash balance comprises - cash on hand	6,462	2,339	-	783
- short term deposits	2,058	1,786	2,059	1,786
	8,520	4,125	2,059	2,569

(c) Financing Facilities Available

The group's operating subsidiaries had no outstanding letters of credit amount under bank facilities for the importation of raw materials and machinery (2002: nil). At balance date, the group had financing facilities available totalling approximately A\$49 million (2002: A\$53 million) of which A\$22 million (2002: A\$39 million) has been used and A\$26 million (2002: A\$14 million) is unused.

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
24. EXPENDITURE COMMITMENTS				
Lease expenditure commitments				
(i) Operating leases				
- not later than one year	21	67	21	67
These commitments represent payments due for leased premises over a remaining term within 1 year.				
(ii) Land Rental Fees – Controlled entities				
- not later than one year	221	293	-	-
- later than one year and not later than five years	800	1,117	-	-
- later than five years	3,086	4,221	-	-
	4,107	5,631	-	-

These commitments represent payments due by the group's operating subsidiaries in Vietnam for leasehold land over remaining terms ranging from 4 to 25 years.

25. CONTINGENT LIABILITIES

The Company has provided security to various banks for banking facilities provided to Vinausteel Ltd and SSESTEEL Ltd in the form of letters of guarantee totalling US\$ 13 million (A\$ 17 million) (2002: US\$ 13 million) and security to the supplier of machinery and equipment to SSESTEEL Ltd in the form of a letter of guarantee totalling Euro 4.43 million (A\$ 7.4 million) (2002: Euro 3.84 million)

CONSOLIDATED		THE COMPANY	
2003	2002	2003	2002
\$'000	\$'000	\$'000	\$'000

26. REMUNERATION OF DIRECTORS

Income paid or payable, or otherwise made available, in respect of the financial year to all the directors of each entity in the consolidated entity directly or indirectly, by entities of which they are directors or any related party:

479,498 704,581

Income paid or payable, or otherwise made available, in respect of the financial year, to all the directors of Vietnam Industrial Investments Limited directly or indirectly, from the entity or any related party:

479,498 704,581

The number of directors of Vietnam Industrial Investments Limited whose income (including superannuation contributions) falls within the following bands is:

	2003	2002
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	2	1
\$60,000 - \$69,000	1	-
\$80,000 - \$89,999	-	1
\$130,000 - \$139,999	1	-
\$170,000 - \$179,999	-	1
\$240,000 - \$249,999	1	-
\$410,000 - \$419,999	-	1

The remuneration above does not include the fair value of options granted.

CONSOLIDATED		THE COMPANY	
2003	2002	2003	2002
\$'000	\$'000	\$'000	\$'000

27. REMUNERATION OF EXECUTIVES

Remuneration received or due and receivable by executive officers of the consolidated entity whose remuneration is \$100,000 or more, from entities in the controlled entity or a related party, in connection with the management of the affairs of the entities in the consolidated entity but excluding amounts paid to an executive officer where that person worked wholly outside Australia during the year :

- -

Remuneration received or due and receivable by executive officers of the Company whose remuneration is \$100,000 or more, from the Company or any related party, in connection with the management of the affairs of the Company or any of its subsidiaries :

- -

In the opinion of directors, remuneration paid to executives are considered reasonable.

28. AUDITOR'S REMUNERATION

Amounts received or due and receivable by the auditors, of Vietnam Industrial Investments Limited for:

	CONSOLIDATED		THE COMPANY	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
• an audit or review of the financial report of the entity and any other entity in the consolidated entity	44,600	52,050	44,600	52,050
• other services in relation to the entity and any other entity in the consolidated entity				
- tax compliance	11,930	18,785	11,930	18,785
	56,530	70,835	56,530	70,835

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Amounts received or due and receivable by other member firms of Ernst & Young International:				
• an audit or review of the financial report of the entity and any other entity in the consolidated entity	48,080	53,921	-	-
Amounts received or due and receivable by auditors other than the auditor of Vietnam Industrial Investments Limited for:				
• an audit or review of the financial report of subsidiary entities	3,406	12,132	-	-

29. RELATED PARTY DISCLOSURES

(a) The directors of Vietnam Industrial Investments Limited during the financial year were:

Mr S. Lee
 Mr A. A. Young
 Mr H.V.H. Lam
 Mr K.M. Leong
 Mr D. Bacopanos

(b) The following related party transactions occurred during the financial year :

(i) Transactions with related parties in wholly owned group.

- (1) The Company has provided an interest free loan of \$106,322 (2002: \$292,306) via its wholly owned subsidiary, Vietnam Projects (Singapore) Pte Ltd, to VRC Weldmesh (Vietnam) Ltd for working capital requirements. These funds are subject to a letter of support from the Company.
- (2) The Company increased its investment in SSESTEEL by \$2,920,305. Of which \$1,584,400 was through conversion of an intercompany loan to equity.
- (3) The Company has paid for corporate expenses totalling \$59,299 (2002 : \$128,972) on behalf of its controlled entities.

(ii) Transactions with director-related entities.

The Company has a Consultancy Agreement with Waterbridge Ltd, an entity related to Mr H.V.H.Lam. Waterbridge Ltd agreed to provide to the Company the service of Mr H.V.H. Lam. Under the terms of this agreement, Waterbridge Ltd has been paid fees of \$16,734 (2002 : \$65,928) and other expenses of \$46,660 (2002 : \$36,914). The services were made under normal commercial terms and conditions. The Company also incurs other expenses of \$37,971 (2002: \$21,976) for Mr A.A. Young in relation to his employment in Vietnam.

(c) Vietnam Industrial Investments Limited is the ultimate parent entity. The corporate structure is outlined below;



* Note: In May 2002, Vietnam Industrial Investments share of current year profits from Austnam decreased from 73% to 68%, however Vietnam Industrial Investments' equity share of legal capital, reserves and retained profits was adjusted to 70% by agreement.

29. RELATED PARTY DISCLOSURES [CONT.]

(d) Interest in the equity investments of entities in the consolidated entity held by directors of the reporting entity and their director-related entities as at 31 December 2003, being the number of instruments held;

Vietnam Industrial Investments Limited

Directors	Note	Ordinary Shares	Options over Ordinary Shares
K.M. Leong	(1)	13,002,000	150,000
H.V.H. Lam	(2)	10,396,000	2,800,000
S. Lee	(3)	25,938,226	-
A. A. Young	(4)	2,158,000	1,200,000
D. Bacopanos	(5)	-	120,000

Notes:

- (1) Mr K.M. Leong is an officer of a subsidiary of Land & General Berhad, which company is the registered holder, of 13,002,000 shares in VII.
- (2) Mr H.V.H. Lam is the beneficial owner of 10,396,000 shares.
- (3) Mr S. Lee is a director and shareholder of Phoenix Properties International Pty Ltd as trustee for the Wellington Place Property Trust, and a beneficiary of that trust, which trust is the holder of 12,810,000 shares in VII. Mr S. Lee is a director and shareholder of SHL Pty Ltd which company is the holder of 13,128,226 shares in VII.
- (4) Mr A A Young is the registered holder of 700,000 shares. Mr A.A. Young is a director and shareholder of Bayrunner Pty Ltd which company is the registered holder of 1,458,000 shares in VII.
- (5) Mr D. Bacopanos is the registered holder of 120,000 options, which were issued to him in accordance with the share option plan and following shareholder approval at the general meeting held 29 May 2003.

There have been no other transactions concerning shares or share options between entities in the reporting entity and directors of the reporting entity or their director-related entities. Refer Note 30 for details regarding the Company's Share Option Plan.

Note	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000

30. EMPLOYMENT BENEFITS

Aggregate employee entitlement liability is comprised of :

Provisions (Current)	16	292	298	25	25
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Share Option Plan

The Company has a Share Option Plan for directors, executives and employees of the Company and related bodies corporate.

The plan is designed as part of remuneration planning for directors and executives and as an incentive to motivate officers of the Company and to generate loyalty from senior employees. All current directors, executives and employees of the Company and its related corporations may be selected by the Board to participate in the plan.

All of the seven million options that may be granted under the plan have been issued to participants. The options issued can be exercised on or before 31 December 2004 at an exercise price of twenty cents. At balance date all these options remained on issue under the Plan. No options have been exercised up to 31 December 2003 and accordingly, no amount has been received or is due and receivable from holders of the options.

The market value of VII shares closed at \$0.185 on 31 December 2003 (2002 : \$0.37).

No other equities in any of the entities within the consolidated entity were acquired by or issued to employees during the year in relation to any other ownership based remuneration plan.

Information with respect to the number of options granted under the Share Option Plan are as follows:

	2003	2003	2002	2002
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	6,620,000	0.20	6,620,000	0.20
Granted	380,000	0.20	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Balance at end of year	7,000,000	0.20	6,620,000	0.20
Exercisable at end of year	7,000,000	0.20	6,620,000	0.20

(a) Options held at the beginning of the reporting period:

The following table summarises information about options held by executives, directors and employees as at 1 January 2003:

Number of Options	Grant date	Vesting date	Expiry date	Weighted Average exercise price
6,620,000	21 February 2000	21 February 2000	31 December 2004	\$0.20

(b) Options granted during the reporting period:

The following table summarises information about options granted by Vietnam Industrial Investments Limited to employees during the year:

	2003	2002
Number of options granted	380,000	-
Grant date	29 May 2003	-
Vesting date	29 May 2003	-
Expiry date	31 December 2004	-
Weighted average exercise price	\$0.20	-

(c) Options exercised

No options were exercised in the year ended 31 December 2003 or in the previous corresponding year ended 31 December 2002.

(d) Options held at the end of the reporting period:

The following table summarises information about options held by executives, directors and employees as at 31 December 2003:

Number of Options	Grant date	Vesting date	Expiry date	Weighted Average exercise price
6,620,000	21 February 2000	21 February 2000	31 December 2004	\$0.20
380,000	29 May 2003	29 May 2003	31 December 2004	\$0.20

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31. SEGMENT INFORMATION
Geographical segments

The consolidated entity operated predominantly in two geographical areas - Australia and Vietnam. The manufacturing operations comprise the production and sale of concrete reinforcement steel bar, steel mesh and wire rod, cold rolled steel roofing, wall cladding materials and steel fencing for the construction industry. There were no intersegment sales.

	Australia		Vietnam		Eliminations		Consolidated	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Revenue								
Sales revenue	-	-	157,756	158,229	-	-	157,756	158,229
Interest revenue	68	116	26	74	-	-	94	190
Dividend revenue	1,493	4,963	1,165	271	(2,658)	(5,197)	-	37
Other income	1,434	3,827	662	691	-	-	2,096	4,518
Total segment revenue	2,995	8,906	159,609	159,265	(2,658)	(5,197)	159,946	162,974
Results								
Segment result	110	4,503	2,646	5,795	(3,111)	(4,914)	(355)	5,384
Consolidated operating profit/ (loss) before tax							(355)	5,384
Assets								
Segment assets	31,844	32,180	118,366	104,446	(84,135)	(32,422)	66,075	104,204
Liabilities								
Segment liabilities	196	126	58,951	72,333	(21,886)	(7,694)	37,261	64,765
Other segment information								
Acquisition of property, plant and equipment, intangible assets and other non current assets	-	3	1,339	2,069	-	-	1,339	2,072
Depreciation	8	10	2,731	2,346	(71)	(241)	2,668	2,115
Amortisation	-	-	12	17	19	19	31	36

Segment accounting policies

The group generally accounts for intersegment sales and transfers as if sales or transfers were to third parties at current market prices. Revenues are attributed to geographic areas based on the location of the assets producing the revenues.

Segment accounting policies are the same as the consolidated entity's policies described in Note 1. During the financial year, there were no changes in segment accounting policies that had a material effect on the segment information.

	2003 \$'000	2002 \$'000
32. EARNINGS PER SHARE		
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit/(loss)	(1,248)	4,000
Adjustments:		
Net profit attributable to outside equity interest	(1,451)	(2,146)
Earnings used in calculating basic and diluted earnings per share	(2,699)	1,854
	Number of shares	Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	103,320,002	103,320,002
Effect of dilutive securities:		
Share options	0	6,620,000
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	103,320,002	109,940,002

As at 31 December 2003, there were seven million options on issue, exercisable at 20 cents and expiring on 31 December 2004. These were considered non-dilutive and therefore not included in the weighted average calculation in the current period.

	CONSOLIDATED		THE COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
33. DIVIDENDS PAID				
(a) Dividends paid during the year				
Partially franked dividends (0.5c per share)	517	-	517	-
Partially franked dividends (2c per share)	-	2,053	-	2,053
(b) Franking Credit Balance				
The amount of franking credits available for the subsequent financial year are :				
- franking account balance as at the end of the financial year (at 30%)			39	-
- franking account credits that will arise from the receipt of fully franked dividends as at the end of the financial year			-	44
- franking debits that will arise from the payment of dividends as at the end of the financial year			(39)	(44)
			-	-

The tax rate at which paid dividends have been franked is 30% (2002: 30%).

34. FINANCIAL INSTRUMENTS

(a) Terms, conditions and accounting policies

The consolidated entity's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
<i>(i) Financial assets</i>			
Receivables – trade	4	Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probably. Bad debts are written-off as incurred.	Credit sales are on 30 day terms.
Receivables – related entities	8	Receivables from related entities are recognised and carried at nominal amounts due. Interest is taken up as income on an accrual basis.	Interest is payable at a rate of 5.5% per annum.
Short-term deposits	23(b)	Short-term deposits are stated at the lower of cost and net realisable value. Interest is recognised in the profit and loss when earned.	Short term deposits have an average maturity of 30 days and effective interest rates from 0.1% to 4.70%.
Listed shares	6	Listed shares are carried at the lower of cost or recoverable amount. Dividend income is recognised when the dividends are declared by the investee.	
Unlisted shares	10	Unlisted shares are carried at the lower of cost or recoverable amount. Dividend income is recognised when the dividends are declared by the investee.	
<i>(ii) Financial liabilities</i>			
Bank loans banks	15/18	The bank loans are carried at the principal amount. Interest is charged as an expense as it accrues.	Interest is charged at the benchmark rate. Details of security over bank facilities is set out in Note 15.
Trade creditors and accruals	14	Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.	Trade liabilities are normally settled on 30 day terms.

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
<i>(iii) Equity</i>			
Ordinary shares	20	Ordinary share capital is recognised at the fair value of the consideration received by the company.	Details of shares issued and terms and conditions of options outstanding over ordinary shares at balance date are set out at Note 20.
Unlisted options	30	The value of the Share Option Plan is not being charged as an employee entitlement expense.	Details of the Share Option Plan are set out at Note 30.
<i>Forward Exchange Contracts Hedges</i>			
		The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from loan repayments in foreign currencies, to protect the company against the possibility of loss from future exchange rate fluctuations. The forward exchange contracts are for no longer than 12 months. Forward exchange contracts are recognised at the date the contract is entered. Exchange gains or losses on forward exchange contracts are charged to the profit and loss.	The Company had not entered hedging contracts at balance date.

(b) Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date as follows:

2003 Financial Instruments	Floating Interest Rate	Fixed interest rate maturing in:			Total carrying amount as per the statement of financial position	Weighted average effective interest rate
		1 year or less	Over 1 to 5 years	Non-interest bearing		
	\$'000	\$'000	\$'000	\$'000	\$'000	%
<i>(i) Financial assets</i>						
Cash	8,517	-	-	3	8,520	1.7
Receivables	-	-	-	12,624	12,624	N/A
Listed shares	-	-	-	1,638	1,638	N/A
Total financial assets	8,517	-	-	14,265	22,782	
<i>(ii) Financial liabilities</i>						
Accounts payable	-	-	-	15,178	15,178	N/A
Borrowings	-	12,928	7,989	-	20,917	6.33
Total financial liabilities	-	12,928	7,989	15,178	36,095	

34. FINANCIAL INSTRUMENTS [CONT.]
(b) Interest rate risk [cont.]

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date as follows:

2002 Financial Instruments	Floating Interest Rate	Fixed interest rate maturing in:			Total carrying amount as per the statement of financial position \$'000	Weighted average effective interest rate %
		1 year or less \$'000	Over 1 to 5 years \$'000	Non-interest bearing \$'000		
<i>(i) Financial assets</i>						
Cash	4,123	-	-	2	4,125	4.05
Receivables	-	-	-	16,173	16,173	N/A
Listed shares	-	-	-	450	450	N/A
Total financial assets	4,123	-	-	16,625	20,748	
<i>(ii) Financial liabilities</i>						
Accounts payable	-	-	-	23,189	23,189	N/A
Borrowings	-	25,550	14,024	-	39,574	8.39
Total financial liabilities	-	25,550	14,024	23,189	62,763	

(c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, are as follows:

	Total carrying amount as per the statement of financial position 2003 \$'000	Aggregate net fair value (i) 2003 \$'000	Total carrying amount as per the statement of financial position 2002 \$'000	Aggregate net fair value (i) 2002 \$'000
	<i>Financial assets</i>			
Cash	8,520	8,520	4,125	4,125
Trade receivables	12,624	12,624	16,173	16,173
Listed shares	1,638	1,887	450	464
Total financial assets	22,782	23,031	20,748	20,762
<i>Financial liabilities</i>				
Accounts payable	15,178	15,178	23,189	23,189
Borrowings	20,917	20,917	39,574	39,574
Total financial liabilities	36,095	36,095	62,763	62,763

(i) The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

Recognised financial instruments

Cash, cash equivalents and short-term investments: The carrying amount approximates fair value because of their short-term to maturity.

For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset or offer price for liability, adjusted for transaction costs necessary to realise the asset or settle the liability.

Trade receivables and payables: The carrying amount approximates fair value.

Dividends payable: The carrying amount approximates fair value.

Short-term borrowings: The carrying amount approximates fair value because of their short-term to maturity. These are working capital facilities for subsidiaries operating in Vietnam which have recently been renewed subject to annual review.

Long-term loans receivable: The carrying amount approximates fair value.

Long-term borrowings: The fair values of long-term borrowings are estimated using discounted cash flows analysis, based on current incremental borrowing rates for similar types of borrowing arrangements.

Unrecognised financial instruments

Forward exchange contracts: The fair values of forward exchange contracts is determined as the unrealised gain or loss at balance date calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

(d) Credit risk exposures

The consolidated entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

Concentrations of credit risk

The Company minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers. Refer also to Note 31- Segment information.

Credit risk in trade receivables is managed by limiting payment terms to 30 days and undertaking a risk assessment process for customers.

(e) Hedging instruments

(i) Hedges of specific commitments

The Company had not entered into foreign exchange contracts as at 31 December 2003.

35. SUBSEQUENT EVENTS

In January 2004, the Board of Austnam Company Ltd resolved to declare a dividend of VND 800 million (A\$ 68,240). Further, SSESTEEL Ltd is investing in additional equipment to produce rebar, which will expand its product range and revenue. The capital expenditure is US\$2.6 million (A\$ 3.5 million), VII has invested an additional US\$1 million (A\$ 1.3 million) in increasing SSESTEEL's capital. The balance is to be funded by supplier finance and bank facilities. Commissioning and test production is planned for the end of the year.

The financial effect of the above, have not been recognised.

Independent audit report to members of Vietnam Industrial Investments Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Vietnam Industrial Investments Limited the consolidated entity, for the year ended 31 December 2003. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and the consolidated entity, and that complies with Accounting Standards in Australia, in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Audit opinion

In our opinion, the financial report of Vietnam Industrial Investments Limited is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Vietnam Industrial Investments Limited and the consolidated entity at 31 December 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.

Ernst & Young

J P Dowling

Partner

Perth

Date: 26 March 2004

SUBSTANTIAL SHAREHOLDERS

The number of shares held by the substantial shareholders as disclosed by notices received by the Company under Part 6.7 of the Corporations Law are as follows:

Shareholder	Note	Ordinary shares
Simon Lee	(1)	25,938,226
Land & General Berhad		13,002,000
Henry Lam	(2)	10,396,000
Vietnam Enterprise Investments Ltd		9,340,600

Notes:

(1) Mr Simon Lee is :

- a director and shareholder of Phoenix Properties International Pty Ltd as trustee for the Wellington Place Property Trust, and beneficiary of that trust, which trust is the holder of 12,810,000 shares in VII; and
- a director and shareholder of SHL Pty Ltd which company is the holder of 13,128,226 shares in VII.

(2) Mr Henry Lam is the beneficial owner of 10,396,000 shares in VII.

CLASS OF SHARES AND VOTING RIGHTS

At 19 March 2004 there were 247 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in Article 14.1 of the Company's Constitution, are:

Subject to any special rights or restrictions for the time being attaching to any class of Shares and Articles 14.3, 14.6, 14.7, 14.8 and 15.10:

(a) on a show of hands at a meeting of Members, every Eligible Voter has one vote; and

(b) on a poll at a meeting of Members, every Eligible Member (not being a Corporation) present in person or by proxy or attorney, and every Eligible Member (being a Corporation) present a Representative or by proxy or attorney, has one vote for each Share that Eligible Member holds, but :

- if at any time is on issue any Share which has not been fully Paid Up that Share on a poll will confer only that fraction of one vote which the amount paid (not credited) on that Share, excluding any amounts paid up in advance of the applicable due date for payment, bears to the total amounts paid and payable (excluding amounts credited) on that Share; and
- if the total number of votes to which an Eligible Member is entitled on a poll does not constitute a whole number, then the Company will disregard the fractional part of that total.

DISTRIBUTION OF SHAREHOLDERS (AS AT 19 MARCH 2004)

Category	Number of Shareholders Ordinary shares
1 - 1,000	9
1,001 - 5,000	59
5,001 - 10,000	56
10,001 - 100,000	89
100,001 - and over	34
	247

The number of shareholders holding less than a marketable parcel at 19 March 2004 was 38.

TWENTY LARGEST SHAREHOLDERS (AS AT 19 MARCH 2004)

Name	Number of Ordinary Shares Held
Nefco Nominees Pty Ltd	14,596,110
SHL Pty Ltd	13,128,226
Land & General Berhad	13,002,000
Phoenix Properties International Pty Ltd	12,810,000
Citicorp Nominees Pty Ltd	12,440,769
Swee Khoo Lee	5,050,000
Seah Kee Khoo	4,000,000
Goh Joon Jin	3,950,000
Westpac Custodian Nominee	3,768,325
ANZ Nominees Limited	2,540,000
National Nominees Limited	2,462,630
Chung Phil Hsing	1,904,200
Wang Khee Pong	1,600,000
Yang Yi Chung	1,546,000
Bayrunner Pty Ltd	1,458,000
Jiang Xin Qin	1,081,520
Lee Ryan	620,000
Colbern Fiduciary Nominee	618,700
Young Alan Alexander	600,000
Tulloch Nigel Selby & Bonney Sau Ying	402,481

The twenty largest shareholders hold 94 per cent of the ordinary shares of the Company.





Vietnam Industrial Investments Limited

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