



VIETNAM INDUSTRIAL INVESTMENTS LIMITED

ABN 64 063 656 333

## OFFER DOCUMENT

For a renounceable pro rata offer of New Shares at an issue price of A\$0.15 each on the basis of 1 New Share for every 2 Shares held at the Record Date.

The Offer opens on 12 February 2008 and will close at 5.00 pm (AWDST) on 26 February 2008. Valid acceptances must be received before that time.

**This document contains important information and requires your immediate attention. If you are in any doubt as to how to deal with this document, you should consult your broker or your legal, financial or other professional adviser as soon as possible.**

**Please read the instructions in this Offer and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.**

**This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision or about the rights attaching to the New Shares offered by this Offer document.  
THE SHARES OFFERED ARE OF A SPECULATIVE NATURE.**

## IMPORTANT INFORMATION

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This Offer Document is dated 29 January 2008. This Offer Document is not a prospectus or any other form of disclosure document regulated by the Corporations Act and has not been lodged with ASIC. The information in this Offer Document does not constitute a securities recommendation or financial product advice.

This document is important and should be read in its entirety before deciding to participate in the Offer. This Offer does not take into account, and this Offer Document has been prepared without taking into account, the investment objectives, financial or taxation situation or particular needs of any Applicant.

Before making any investment in the Company, each Applicant should consider whether such an investment, and the information contained in this Offer Document, is appropriate to his or her particular needs, and considering his or her individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his or her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

Neither the Company nor any other person guarantees the repayment of capital or the payment of income. Investors should note that the past Share price performance of the Company provides no guidance to its future Share price performance.

By returning an Entitlement and Acceptance Form or lodging an Entitlement and Acceptance Form with your stockbroker, you acknowledge that you have received and read this Offer Document and you have acted in accordance with the terms of the Offer detailed in this Offer Document.

This is an important document and should be read in its entirety before you decide whether to accept the Offer. If you are in any doubt how to deal with this document or whether to accept the Offer, you should consult your legal, financial or other professional advisor.

### **Eligibility**

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Offer.

### **Overseas shareholders**

This Offer Document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Offer Document in any jurisdiction outside of Australia, or to otherwise permit a public offering of Rights or Shares, in any jurisdiction outside Australia.

This Offer Document is not to be distributed in, and no offer of New Shares is to be made in countries other than Australia and New Zealand. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and therefore persons into who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Excluded Shareholders should refer to Section 1.10 of this Offer Document for details of how your Entitlement will be dealt with.

### **No representations other than as set out in this Offer Document**

No person is authorised to give any information or make any representation in connection with the Offer other than as contained in the Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document is not, and may not, be relied upon as having been authorised by the Company or any of its officers.

### **Information publicly available**

Information about the Company is publicly available and can be obtained from ASIC and ASX (including its web site [www.asx.com.au](http://www.asx.com.au)). This Offer Document is available to Shareholders, and certain other publicly available information about the Company is available to Shareholders and other persons located in Australia, free of charge, from the Company's web site at [www.vii.net.au](http://www.vii.net.au). The contents of any website or ASIC or ASX filing by the Company do not constitute part of the Offer.

### **Rights may have value**

Shareholders should be aware that their Rights may have value. The rights issue is renounceable which enables Eligible Shareholders who do not wish to take up all of their Entitlement to sell their Rights on ASX. It is important that Eligible Shareholders either accept their Entitlement (or part thereof) or deal with their Entitlement as described

in this Offer Document. Eligible Shareholders who take no action in respect of their Rights will receive no benefits. An Entitlement and Acceptance Form is enclosed with this Offer Document. Excluded Shareholders should refer to Section 1.10 of this Offer Document for details of how your Entitlement will be dealt with.

### **Definitions**

Definitions of certain terms used in this Offer Document are contained in Section 7. All references to currency are to Australian dollars and all references to time are to Australian Western Daylight Saving Time (AWDST) unless expressly specified otherwise.

### **Privacy**

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application. The Company collects your personal information to process and administer your investment in the Company and to provide related services to you. If you do not complete the relevant form in full, the Company may reject your Application for New Shares. The Company may disclose your personal information for purposes related to your investment, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Share Registry.

### **Entire Agreement**

Subject to this paragraph, the terms contained in this Offer Document constitute the entire agreement between the Company and you as to the Offer and your participation in the Offer to the exclusion of all prior representations, understandings and agreements between the Company and you.

### **Governing law**

This Offer Document, the Offer and the contracts formed on acceptance of the applications are governed by the law applicable in Western Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

### **Rights issue Offer Document and disclosure obligations**

This Offer Document is issued pursuant to section 708AA of the Corporations Act as an offer document for the offer of securities for issue, under a rights issue, without disclosure to investors under Part 6D.2 of the Corporations Act. Pursuant to the conditions imposed on the Company by section 708AA of the Corporations Act for the making of a rights issue without disclosure to investors, the Company will provide ASX with a notice (Rights Issue Notice) that complies with the requirements of section 708AA(7) on 11 February 2008. In addition to certain minor and technical matters, that notice is required to:

- (a) set out any information that had been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
  - (ii) the rights and liabilities attaching to the Shares;
- (b) state the potential effect of the issue of the securities on control of the body and the consequences of that effect.

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## SUMMARY OF KEY INFORMATION

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This Offer Document contains an Offer of New Shares in the Company. The following table summarises the key information in relation to the Offer.

Offer price	A\$0.15 per New Share is payable in full on application
Maximum number of New Shares to be issued under the Offer <sup>1</sup>	51,660,000
Approximate maximum amount to be raised under the Offer (before expenses of the issue) <sup>1</sup>	A\$7,749,000
Eligible Shareholder entitlements	1 New Share for every 2 Shares beneficially held on the Record Date
Closing Date and time for acceptances and payments	26 February 2008 at 5.00 pm (AWDST)
Number of Shares on issue following the Offer if maximum number of New Shares issued under the Offer <sup>1</sup>	154,980,002

Details of the Offer are set out in full in Section 1.

### **Notes:**

1. This assumes that all Eligible Shareholders take up their Entitlement under the Offer and the Rights that would have been offered to Excluded Shareholders are sold by the ASIC-approved nominee (in accordance with the process set out in Section 1.10 of this Offer Document) to purchasers who take up all of their Entitlement.

## LETTER FROM THE COMPANY

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A.C.N. 063 656 333  
A.B.N. 64 063 656 333

### VIETNAM INDUSTRIAL INVESTMENTS LIMITED

29 January 2008

Dear Shareholder

#### VIETNAM INDUSTRIAL INVESTMENTS LIMITED – RIGHTS ISSUE

I am pleased to provide you with an Offer Document for a renounceable rights issue ("**Offer**") to raise a maximum of approximately A\$7,749,000 (before costs) for Vietnam Industrial Investments Limited ("**Company**"), as announced on 29 January 2008.

The Offer is a renounceable issue to existing shareholders on the basis of one (1) New Share for every two (2) Shares held at 5.00 pm (AWDST) on 6 February 2008, at a price of A\$0.15 per New Share.

On behalf of the Independent Board of the Company, I invite you to consider participating in this Offer. The funds from the Offer, after payment of the costs of the Offer, will be used by the Company to address the following activities:

- (a) repayment of loan provided to the Company, totalling approximately A\$1,600,000;
- (b) reduce SSESTEEL's short term debt and net deficiency of approximately A\$3,000,000; and
- (c) fund working capital requirements of a minimum of approximately A\$1,200,000 of the Company and its operating subsidiaries in Vietnam, to enable the Company and its subsidiaries to continue to expand their manufacturing capacity and capabilities.

Please refer to Section 5.1 for further details on the objectives of the Offer and the proposed use of the proceeds.

**This Offer is valuable and requires your immediate attention.** The closing date for receipt of acceptances and payments is 5.00 pm (AWDST) on 26 February 2008.

Corbyns International Limited ("**Corbyns**"), currently the largest shareholder of the Company, has confirmed to the Company that its present intention is to take up all of its entitlement under the Offer. Corbyns and its Associates (as that term is defined in the Corporations Act) currently have a relevant interest in 75.59% of the Shares on issue.

In the event that Corbyns takes up all of its entitlement under the Offer, VII will raise a minimum of approximately A\$5,815,425 (before costs).

Please refer to Section 5.2 for information on the impact the Offer may have on the control of the Company.

I encourage you to read all information set out in the Offer Document prior to making any decision about whether or not to invest. If you have any enquiries, please consult your financial adviser.

For further information on your entitlement to the Rights Issue, or how to deal with the Rights Issue, please contact the Company Secretary on (61 8) 9322 2911 or the Company's Share Registry, Security Transfer Registrars Pty Limited on (61 8) 9315 2333.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'A. Young', is positioned below the text 'Yours faithfully'.

**Alan Alexander Young**  
**Managing Director**  
**(Chief Operating Officer)**

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## **1. Details of the Offer**

### **1.1 The Offer**

The Company is making a renounceable pro rata offer of New Shares to Eligible Shareholders. Eligible Shareholders who are on the Company's share register at 5.00 pm (AWDST) on the Record Date, being 6 February 2008, will receive the Rights to acquire 1 New Share for every 2 Shares held at an issue price of A\$0.15 each per New Share. The issue price is payable in full on application.

The Company has 103,320,002 Shares on issue as at the date of this Offer Document.

A maximum of 51,660,000 New Shares will be issued under the Offer, raising up to approximately A\$7,749,000 before costs. This assumes that all Eligible Shareholders take up their Entitlement under the Offer and the Rights that would have been offered to Excluded Shareholders are sold by the ASIC-approved nominee (in accordance with the process set out in Section 1.10 of this Offer Document) to purchasers who take up all of their Entitlement.

The New Shares will be fully paid and will rank equally with the Company's existing Shares on issue.

### **1.2 Indicative Timetable**

Announce Offer and lodge Appendix 3B (Lodgement Date)	29 January 2008
Offer Document lodged with ASX	29 January 2008
Notice to Shareholders containing information required by Appendix 3B	30 January 2008
Existing Shares quoted on an 'ex' basis and Rights trading commences	31 January 2008
Record Date	6 February 2008
Rights Issue Notice lodged with ASX	11 February 2008
Offer Document and Entitlement and Acceptance Form despatched to Shareholders and announce completion of despatch	12 February 2008
Opening Date of Offer	12 February 2008
Rights trading ends	19 February 2008
Closing Date for acceptances	26 February 2008
Company to notify ASX of under-subscriptions (if any)	29 February 2008
Allotment Date of New Shares	5 March 2008
Despatch holding statements	5 March 2008
Cleansing Notice lodged with ASX	5 March 2008
Commencement of trading of the New Shares	6 March 2008



This timetable is indicative only and subject to change. The Directors reserve the right to vary these dates, including the Closing Date without prior notice. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment. In that event, the relevant Application Money will be returned without interest.

### **1.3 Entitlements and acceptance**

Every Eligible Shareholder who is registered as the holder of Shares at 5.00 pm (AWDST) on the Record Date is entitled to participate in the Offer. The number of Shares to which you are entitled is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

You may accept all, or only part, of your Entitlement by completing the Entitlement and Acceptance Form and sending it to the Company so that it is received prior to the Closing Date. Acceptances must not exceed your Entitlement as shown on the Entitlement and Acceptance Form. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement and any surplus Application Money will be returned to you.

As a result of this Offer, Shareholders who do not take up all of their Entitlement will have their percentage shareholding in the Company diluted.

In determining Entitlements, any fractional Entitlement will be rounded down to the nearest whole number of Shares.

### **1.4 Opening and Closing Dates**

The Offer will open for receipt of acceptances on the Opening Date, being 12 February 2008.

The Company will accept Entitlement and Acceptance Forms until 5.00 pm (AWDST) on the Closing Date, being 26 February 2008, subject to the Directors, in their absolute discretion, varying the Closing Date in accordance with the Corporations Act and Listing Rules.

### **1.5 Rights trading**

This Offer to subscribe for New Shares is renounceable. This means that Eligible Shareholders who do not wish to take up all or some of their entitlement to New Shares can seek to sell their entitlements as Rights. Information on how Rights may be sold or transferred is set out in Section 2. The Rights will be quoted on the ASX. Trading of the Rights will commence on the ASX on 31 January 2008 and will cease at the close of trading on 19 February 2008. Any portion of your Rights that you decide not to accept and that you do not trade will lapse.

### **1.6 Issue of New Shares**

The Company expects that the New Shares will be issued and holding statements despatched on the dates specified in the Timetable.

Application Money will be held in trust in a subscription account until allotment and issue of the New Shares. This account will be established and kept by the Company on behalf of each Applicant. The Company will be entitled to retain any interest paid on the money so held, even if the Offer does not proceed.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. The sale by Applicants of New Shares prior to receiving their holding statements is at the Applicant's own risk.

## 1.7 ASX Listing and deferred settlement trading

The Company will make an application to the ASX for Official Quotation of the New Shares. If the ASX does not grant quotation for the New Shares, the Company will not allot any New Shares and will refund all Application Money without interest.

The fact that ASX may grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Offer or the New Shares under this Offer Document.

There will be no trading of New Shares on a deferred settlement basis. Trading of the New Shares will, subject to ASX approval, occur on or about the date specified in the Timetable.

## 1.8 Refund of Application Money

If necessary, Application Money will be refunded as soon as reasonably practicable. Interest earned on the Application Money will be for the benefit of the Company and will be retained by the Company irrespective of whether New Shares are issued under the Offer.

## 1.9 CHESS

The Company participates in the Clearing House Electronic Subregister System ("**CHESS**"), operated by ASTC, a wholly-owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue share certificates to investors but will instead provide investors with a statement of their holdings in the Company. If you are broker-sponsored, ASTC will send you a CHESS statement. The CHESS statement will set out the number of New Shares issued to you under the Offer Document and give details of your holder identification number, in the case of a holding on the CHESS sub-register, and the terms and conditions applicable to the New Shares.

If you are registered in the Issuer Sponsored subregister, your statement will be despatched by the Share Registry and will contain the number of New Shares issued under the Offer Document and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders by the Company's Share Registry, Security Transfer Registrars Pty Ltd, at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however a charge may be incurred for additional statements.

## 1.10 Overseas Shareholders

The Company will not make an Offer to Shareholders who reside outside Australia or New Zealand. The Company has decided that it is unreasonable to make an offer under this Offer Document to Shareholders who have a registered address in a country outside of Australia and New Zealand ("**Excluded Shareholders**") having regard to:

- the number of shareholders outside of Australia and New Zealand;
- the number and value of the securities that would be offered to shareholders outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The Company is not required to make offers under the Offer Document to Excluded Shareholders.

The Company has appointed an ASIC-approved nominee, Euroz Securities Limited ("**Nominee**"), on normal commercial terms, as nominee for the Excluded Shareholders to arrange for the sale of the Rights entitlements of the Excluded Shareholders. The Company will transfer the Rights of the Excluded Shareholders to the Nominee who will send the net proceeds from the sale of the Rights (if any) to the Share Registry to distribute to those Excluded Shareholders for whose benefit the Rights have been sold in proportion to their shareholdings. The Nominee will have the sole and absolute discretion to determine when, the price at which and the manner that the Rights may be sold. Neither the Company nor the Nominee will be subject to any liability for failure to sell the Rights or to sell them at a particular price.

If, in the reasonable opinion of the Nominee, there is not a viable market for the Rights or a surplus over the expenses of sale cannot be obtained for the Rights that would have been offered to Excluded Shareholders, then the Rights will be allowed to lapse and they will form part of the Shortfall.

This Offer Document and accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Offer Document in any jurisdiction outside of Australia, or to otherwise permit a public offering of Rights or Shares, in any jurisdiction outside Australia.

This Offer Document is not to be distributed in, and no offer of New Shares is to be made in countries other than Australia and New Zealand. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## **1.11 Risk factors**

An investment in the Company involves many risks and should be regarded as being a speculative investment. The risks associated with an investment in the Company are set out throughout this Offer Document and, in particular, in Section 3 of this Offer Document. Before making an investment decision, potential Applicants should read the Offer Document in its entirety and consult their professional advisers.

## **1.12 Taxation considerations**

You should be aware that there may be taxation implications associated with participating in the Offer and receiving New Shares. The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document or the disposal of any New Shares allotted and issued under this Offer Document.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences. The Directors recommend that all Eligible Shareholders should consult their own professional tax advisers in connection with subscribing for, and disposal of, New Shares allotted and issued under this Offer Document.

## **1.13 Enquiries**

If you have any enquiries in relation to the Entitlement and Acceptance Form or your Entitlement, please contact the Company Secretary by telephone on (08) 9322 2911 or the Company's Share Registry, Security Transfer Registrars Pty Ltd, by telephone on (08) 9315 2333 or consult your stockbroker or professional adviser.

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## **2. What Eligible Shareholders may do**

### **2.1 Entitlement and Acceptance Form**

The number of Shares to which you are entitled is shown on the Entitlement and Acceptance Form accompanying this Offer Document. All Applications for New Shares must be made on the Entitlement and Acceptance Form. By returning the Entitlement and Acceptance Form you offer to acquire the New Shares on the terms and conditions set out in this Offer Document. The Directors reserve the right to reject any applications for New Shares.

### **2.2 Taking up all of your Entitlement**

If you wish to take up all of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of the Entitlement and Acceptance Form.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Money indicated on the Entitlement and Acceptance Form.

Please ensure that the completed Entitlement and Acceptance Form and your payment for the amount shown on the Entitlement and Acceptance Form is received by the Company's Share Registry no later than 5.00 pm (AWDST) on 26 February 2008 at the addresses set out below:

**By Delivery:**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

**By Post:**

Security Transfer Registrars Pty Ltd  
PO Box 535  
APPLECROSS WA 6953

### **2.3 Allow all or part of your Entitlement to lapse**

If you decide not to accept all or part of your Entitlement to New Shares, or fail to accept by the Closing Date, your Entitlement will lapse. Rights are renounceable, which enables Eligible Shareholders who do not wish to accept some or all of their Entitlement to sell or trade all or part of their Rights on the ASX.

The New Shares not accepted will form part of the Shortfall and will not be issued or allotted.

### **2.4 Selling all of your Entitlement on ASX**

If you wish to sell all your Rights on the ASX, please complete the section on the reverse of the Entitlement and Acceptance Form entitled 'Instructions to your Stockbroker' and lodge the completed Entitlement and Acceptance Form with your stockbroker.

Rights trading on the ASX commences on 31 January 2008 and sale of your Rights must be completed by 19 February 2008 when Rights trading ceases. If you wish to sell all of your Rights on the ASX, do NOT return your Entitlement and Acceptance Form to the Share Registry.

### **2.5 Taking up part of your Entitlement and selling the balance on ASX**

If you wish to take up part of your Entitlement and sell the balance on the ASX, please complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up. Also complete the section on the reverse of the Entitlement and Acceptance Form entitled 'Instructions for your Stockbroker' for the balance of the Rights that you wish to sell on the ASX. Please lodge the completed Entitlement and Acceptance together with a cheque for the Application Money with your stockbroker. To take up the balance of your Rights, your

stockbroker will need to ensure that the Entitlement and Acceptance Form and Application Money reach the Share Registry by no later than 5.00 pm (AWDST) on 26 February 2008.

## **2.6 Taking up part of your Entitlement and allowing the balance to lapse**

If you wish to take up part of your Entitlement under the Offer and allow the balance to lapse, please complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the steps required in accordance with the instructions set out on the reverse of the Entitlement and Acceptance Form.

Please ensure that the completed Entitlement and Acceptance Form and your payment for the amount shown on the Entitlement and Acceptance Form is received by the Company's Share Registry no later than 5.00 pm (AWDST) on 26 February 2008 at the addresses set out below:

**By Delivery:**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

**By Post:**

Security Transfer Registrars Pty Ltd  
PO Box 535  
APPLECROSS WA 6953

If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from selling or trading your rights.

## **2.7 Transfer all or part of your Rights other than on ASX**

You may elect to transfer all or part of your Rights to another person other than on the ASX provided that the purchaser is not an Excluded Shareholder or would not be an Excluded Shareholder if the purchaser was the registered holder of the Shares.

If you wish to transfer all or part of your Entitlement to another person other than on the ASX, please forward the following:

- a completed standard renunciation form (obtainable from your stockbroker or the Company's Share Registry);
- Entitlement and Acceptance Form completed by the transferor and transferee; and
- the transferee's cheque for the amount of the Application Money,

to the Share Registry so that it is received no later than the Closing Date by the Share Registry at:

**By Delivery:**

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

**By Post:**

Security Transfer Registrars Pty Ltd  
PO Box 535  
APPLECROSS WA 6953

## **2.8 Payment**

Entitlement and Acceptance Forms must be accompanied by payment in full of the Application Money. Payments will only be accepted in Australian currency and may be made by one of the following methods:

- Bank cheque in Australian dollars drawn on and payable at any Australian bank; or
- Personal cheque in Australian dollars drawn on and payable at any Australian bank.

Bank cheques or personal cheques should be made payable to "Vietnam Industrial Investments Limited - Subscription Account" and crossed "Not Negotiable". Cash payments will not be accepted. Receipts for payment will not be issued.

## **2.9 Entitlement and Acceptance Form is binding**

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. The Entitlement and Acceptance Form does not need to be signed to be binding.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

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## **3. Risk Factors**

### **3.1 Overview**

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance and financial position of the Company and the outcome of an investment in the Company and are largely beyond the control of the Company and its Directors because of the nature of the business of the Company.

The Independent Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company.

Prior to deciding whether to invest in the Company, potential investors should read the entire Offer Document and, in particular, should consider the risk factors that could affect the operating and financial performance or financial position of the Company. You should carefully consider these factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to apply for the New Shares pursuant to this Offer.

### **3.2 Specific risk factors**

#### **(a) Going Concern**

The Company's financial statements have been subject to an inherent uncertainty as to going concern since 30 June 2005 as a result of the net current deficiencies in the SSESTEEL operation and the corporate guarantees provided by the Company in respect of this operation and the Company's other subsidiaries. The Company has been able to continue as a going concern due to the ongoing support of SSESTEEL's financiers.

In May 2007, the Company secured short term debt funding of A\$1,500,000 to finance the working capital requirements of the Company and its subsidiaries. As at the date of this Offer, interest of approximately A\$85,000 has accrued on this debt. Repayment of this debt is due upon the sale of the Company's interests in Vinausteel and SSESTEEL, or if proceeds have not been received within 12 months of drawdown, within 7 days of receiving a demand notice from the lender.

As at the date of the Offer, the Company has cash and cash equivalents of approximately A\$87,000. As at 31 December 2007, the Company has provided corporate guarantees of approximately A\$24,300,000 for its subsidiary operations. As at 31 December 2007, the balance of these liabilities to which the guarantees relate is approximately A\$8,500,000.

As at 31 December 2007, SSESTEEL has an approximate net current deficiency of A\$14,000,000 and an approximate net deficiency of A\$310,000.

The ability of SSESTEEL, the Company and its other subsidiaries to continue as a going concern (realising their assets and extinguishing the liabilities of the Company and its subsidiaries in the normal course of business) is dependent upon the following:

- (i) the ongoing financial support of the financiers of SSESTEEL and the Company;
- (ii) SSESTEEL and Vinausteel successfully managing their working capital requirements and the procurement of steel billets, which account for

greater than 80% of total costs for these operations and are subject to fluctuations driven by the worldwide steel market;

- (iii) the Company's Vietnam operations successfully managing their working capital requirements with external financiers; and
- (iv) the ability of the Company to raise a minimum of approximately A\$5,815,425 (before costs) by this Offer.

Should SSESTEEL or the Company and its other subsidiaries not materially achieve the matters above, there is significant uncertainty as to whether SSESTEEL or the Company and its subsidiaries will continue as a going concern and therefore, whether the Company and its subsidiaries will be able to pay its debts as and when they fall due and whether it will therefore be able to realise their assets and extinguish their liabilities in the normal course of business.

**(b) NatSteel Litigation Risk**

In March 2007 the Company entered into the Sale and Purchase Agreement with NatSteel Pte Ltd (NatSteel) to acquire the Company's interests in Vinausteel and SSESTEEL. This agreement was conditional upon gaining Shareholder approval.

On 29 June 2007, Shareholders did not give approval for the Sale and Purchase Agreement.

On 4 July 2007, the Company announced that it had received notice from NatSteel terminating the Sale and Purchase Agreement and that NatSteel reserved its rights against the Company relating to the Sale and Purchase Agreement. NatSteel contended that the Company breached certain terms of the Sale and Purchase Agreement.

The Directors dispute that the Company has breached the Sale and Purchase Agreement.

As at the date of this Offer Document, no further correspondence has been received from NatSteel in relation to this matter.

**(c) SSESTEEL Investment Licence**

As announced by the Company to the ASX on 15 January 2008, SSESTEEL has obtained an investment certificate to implement a billet plant in Haiphong, Vietnam, with an investment capital estimated at approximately VND893 billion (equivalent US\$56,000,000).

SSESTEEL is considering various designs and equipment suppliers for the project. The Company is assessing its financing options and may seek a suitable strategic partner to participate in the project. If suitable financing terms are not secured by 30 June 2008, SSESTEEL may not be able to meet the construction timetable outlined in the investment certificate. If the timetable is not adhered to, there is a risk that the investment certificate may be revoked and, therefore, the land resumed by the Vietnam Government.

Included in the consolidated balance sheet of the Company and its subsidiaries as at 30 November 2007 are land acquisition costs of approximately A\$400,000 which may be expensed in the current year profit and loss should the land be resumed by the Vietnam Government.



**(d) Sovereign Risk**

It is generally regarded that the government of Vietnam is stable. However, it is not possible to guarantee that, under certain circumstances such as social or political upheaval or a change in leadership, the current reforms will continue. Possible sovereign risks may include:

- (i) Changes in the terms of investment licences;
- (ii) Restrictions on the import of raw materials or export of finished products;
- (iii) Restrictions on repatriation of capital and/or dividends;
- (iv) Difficulties in obtaining foreign exchange for repatriation of capital and/or dividends;
- (v) Restrictions or difficulties in disposal of the investment;
- (vi) Changes in the taxation rates or in current taxation concessions granted; and
- (vii) Interference in the market by Vietnam Government agencies.

**(e) Legal Risk**

Vietnam has a relatively undeveloped legal system, however, the government has embarked on a substantial programme of legislative reform. This programme may result in new laws and regulations or amendments to existing laws which may have a material effect on the current Vietnam operations or any subsequent investments by the Company in Vietnam.

There is no certainty that the Company will be able to obtain effective enforcement of its rights by arbitration or legal proceedings in Vietnam.

**(f) Currency Exchange**

The Company's operations in Vietnam earn income denominated in Vietnamese Dong. Given the Vietnamese Dong is not freely converted into other currencies, or traded internationally, this may have an impact on the Company's income.

**(g) Exchange Rate and Currency Risk**

The Company's operations in Vietnam face some exposure to exchange rate fluctuations as the cost of the major raw materials are generally denominated in US dollars whereas their revenue is denominated in local currency and they have some loans that are denominated in US dollars and Euro.

The Company intends to remit certain funds to its Vietnam operating subsidiaries to assist with their working capital requirements. These funds are expected to be remitted in foreign currency, either in Australian dollars or United States dollars and used to purchase Vietnamese Dong by the Company's Vietnam operating subsidiaries. The movements of foreign currency in Vietnam are subject to the restrictions and procedures imposed by the State Bank of Vietnam. It is not possible to guarantee that the Company will be able to remit funds to its Vietnam operating subsidiaries as and when they may require funding.

**(h) Operational Risk**

Any unforeseen major mechanical breakdowns may adversely affect the profitability of the Company's operations.

**(i) Raw Material Prices and Supply**

The Company operates the following two steel rolling mills in Haiphong:

- Vinausteel (70% owned by the Company); and
- SSESTEEL (100% owned by the Company).

The major raw material component for Vinausteel and SSESTEEL is steel billets which comprise more than 80% of production costs. There are a number of local billet producers using electric arc furnace technology. However, these cannot meet demand for billets and the shortfall in supply has to be met by imports. The billets are a world commodity and may be imported from a number of countries. However, these operations are exposed to fluctuations in the billet cost. There is a risk that the selling price of the finished product will not be adjusted to match fluctuations in raw material costs (to a level the market will bear, or to which Vinausteel and SSESTEEL is allowed, if the government imposes a selling price ceiling or controls).

Any significant changes in the supply and prices of electric power and fuel oil will impact on the profitability of the Vietnam operations.

**(j) Sales Risk**

In Vietnam it is not possible to guarantee that future events, such as a reduction in foreign investment or international aid, would not reduce construction activity with a subsequent decline in demand for construction steel.

**(k) Dumping and Import Duties**

Measures, such as import duties, have been implemented to control the import of steel into Vietnam. Although these measures have made the local product more competitive, the Vietnam Government has amended the duties from time to time which affects the market in Vietnam. There are commitments to phase out or reduce these duties following Vietnam's recent accession to the World Trade Organisation.

**(l) Future Capital Requirements**

There can be no assurances that additional capital or liquidity will not be required by the Company in the future or that the funds raised through this Offer Document will be sufficient to successfully achieve all of the objects of the Company's overall business strategy. The Company may require further financing in addition to amounts raised pursuant to the Offer and referred to in the Offer Document.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer and existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose. Additional equity financing, if available, may be dilutive to Shareholders, at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company's future cash flows are lower than anticipated or additional capital expenditure or working capital requirements are higher than anticipated, capital intensive plans may have to be deferred, or further debt or equity financing may be necessary. Any

of these events may adversely affect the Company's operating and financial performance and financial position. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse affect on the Company's activities and may affect the Company's ability to continue as a going concern.

### **3.3 General risks**

#### **(a) Economic Factors**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position.

Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters.

The Company's future possible revenues and securities prices can be affected by these factors, which are beyond the control of the Company.

#### **(b) Commodity Prices**

Commodity prices inherently fluctuate and are affected by numerous factors beyond the control of the Company. The demand for and price of materials is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative resources, the level of production costs in major commodity-producing regions, actions taken by governments and international cartels and global and economic and political developments. Moreover, commodity prices are also affected by factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, a commodity. Fluctuations in material prices may have a material adverse effect on the Company's business, financial conditions and results of operations.

#### **(c) Share Market Conditions**

The market price of Shares and New Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general materials stocks in particular. The past performance of the Company is not necessarily an indication as to future performance of the Company as the trading price of Shares can go up or down. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

#### **(d) Liquidity Risk**

There can be no guarantee that there will continue to be an active market in the Shares or that the price of the Shares will increase. There may be relatively few buyers or sellers of the Shares on the ASX at any given time. This may affect the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offer.

**(e) Currency**

If the Company was to acquire further interests in projects outside Australia costs of such an operation would likely be payable in a foreign currency. Further, the cost of major raw materials are generally denominated in US dollars. Global currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's project development and production plans and activities together with the ability to fund those plans and activities.

**(f) Competition**

The Company will compete with other companies, including major materials companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

**(g) Regulatory**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies in Australia, Vietnam and overseas may adversely affect the operational and financial performance of the Company.

Any change to the current rate of company income tax in jurisdictions where the Company operates will impact on Shareholder returns. Any change to the current rates of income tax applying to individuals and trusts will similarly impact on Shareholder returns.

**(h) Reliance on Key Personnel**

A number of key personnel are important to attaining the business goals of the Company. One or more of these key employees could leave their employment, and this may adversely affect the ability of the Company to conduct its business and, accordingly, affect the financial performance of the Company and its Share price.

**(i) Environmental**

The Company's future activities will be subject to the environmental risks inherent in the materials industry. The Company will be subject to environmental laws and regulations in connection with operations it may pursue in the materials industry. Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

**(j) General Economic Conditions**

The price at which the Shares trade on the ASX after the Offer has been completed may be higher or lower than the issue price of A\$0.15 per Share and will be affected

by the financial performance of the Company and by external factors over which the Directors and the Company have no control, including:

- movements in currency exchange rates and world commodity prices;
- economic conditions in Australia, Vietnam and overseas;
- movements in domestic and international interest rates and share markets;
- recommendations by brokers and analysts;
- investor perceptions; and
- general operations and business risk.

In particular, the share prices for many companies have in recent times been subject to wide fluctuations, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions, acts of terrorism and the general state of the economy. Such market fluctuations may materially adversely affect the market prices of the Shares. No assurances can be made that the Company's market performance will not be adversely affected by such market fluctuation factors. No guarantee is given relating to the Company's market performance.

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#### **4. Requirement for funding and reasons for Rights Issue**

As proposed by Corbyns through its nominees on the Board, the Company implemented a preliminary general review of operations, assets, appropriate capital structure and employees, with the aim of determining the current cash requirements of the Company and its subsidiaries and pursuing, to the maximum extent possible and appropriate, the types of opportunities which would benefit the Company.

Following the preliminary review, the Company believes that it needs to be funded prudently to repay debts owed by SSESTEEL and the Company to other parties and to provide working capital to the Company and its subsidiaries.

The Company's financial statements have been subject to an inherent uncertainty as to going concern since 30 June 2005 as a result of the net deficiencies in the SSESTEEL operation and the corporate guarantees provided by the Company in respect of this operation and the Company's other subsidiaries. The Company has been able to continue as a going concern due to the ongoing support of SSESTEEL's financiers. As at 31 December 2007, SSESTEEL has an approximate net current deficiency of A\$14,000,000 and an approximate net deficiency of A\$310,000.

The Company had not incurred any debt since its incorporation until May 2007. In May 2007, the Company secured short term debt funding of A\$1,500,000 to provide interim finance for the working capital requirements of the Company and its subsidiaries. As at the date of this Offer, interest of approximately A\$85,000 has accrued on this debt. Repayment of this debt is due upon the sale of the Company's interests in Vinausteel and SSESTEEL, or if proceeds have not been received within 12 months of drawdown, within 7 days of receiving a demand notice from the lender.

At the date of this Offer, the Company presently has cash and cash equivalents of approximately A\$87,000 and there are 103,320,002 Shares currently on issue in the Company. As at 31 December 2007, the Company has provided corporate guarantees of approximately A\$24,300,000 for its subsidiary operations. As at 31 December 2007, the balance of these liabilities to which the guarantees relate is approximately A\$8,500,000.

As at the date of this Offer, the Company and its subsidiaries have the ongoing support of financiers. However, the continuation of the Company and its subsidiaries as a going concern depends upon the raising of adequate funding to address the following activities:

- (a) repayment of loan provided to the Company, totalling approximately A\$1,600,000;
- (b) reduce SSESTEEL's short term debt and net deficiency of approximately A\$3,000,000; and
- (c) fund working capital requirements of a minimum of approximately A\$1,200,000 of the Company and its operating subsidiaries in Vietnam, namely VRC Weldmesh (Vietnam) Ltd, Vinausteel Limited, SSESTEEL Ltd, Total Building Systems Ltd, Austnam Joint Stock Corporation, to enable the Company and its subsidiaries to continue to expand their manufacturing capacity and capabilities.

Due to the uncertainty of trading conditions in Vietnam, the Company and its subsidiaries in Vietnam, particularly SSESTEEL, will have difficulty securing funding from third party finance providers without the Company providing further corporate guarantees for the debt.

The Company considers that, having taken independent professional financial advice, equity funding at the pricing and ratio of this Offer, is appropriate and is the most equitable form of funding for Shareholders, taking into account, experience, current gearing levels, predicted market conditions, the circumstances outlined above.

Corbyns and its Associates (as that term is defined in the Corporations Act) currently have a relevant interest of 75.59% of the Shares on issue and control of the Company through its

nominees on the Board. The maximum increase in Corbyns and its Associates' relevant interest by reason of their Entitlement as an Eligible Shareholder will be 6.66% (bringing their maximum relevant interest to approximately 82.25%). Therefore, the Independent Board does not consider that the Offer will materially affect the control of the Company.

The Company considers that the level of funding to be raised is appropriate for the purposes described above based upon the circumstances as at the date of this Offer document.

The Offer will provide a readily discernible benefit to the Company as it will provide additional working capital to address the inherent uncertainty as to the going concern of the Company and its subsidiaries. However it may not overcome the inherent uncertainty as to the going concern of the VII Group due to the net current deficiency of the SSESTEEL operation and the corporate guarantees provided by the Company for its subsidiary operations.

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## **5. Effects of the Offer on the Company**

### **5.1 Financial effects of Offer and proposed use of the proceeds**

The principal financial effects of the Offer on the Company will be to:

- (a) increase cash reserves by a maximum of approximately A\$7,749,000 (before expenses of the Offer)<sup>1</sup>; and
- (b) provide the Company with additional capital for the purposes described below.

If the Offer is successfully completed and the maximum amount of funds is raised, it is proposed that the funds raised by the Offer, after payment of the costs of the Offer, of approximately A\$50,000 (excluding GST), will be used by the Company to address the following activities:

- (a) repayment of loan provided to the Company, totalling approximately A\$1,600,000;
- (b) reduce SSESTEEL's short term debt and net deficiency of approximately A\$3,000,000; and
- (c) fund working capital requirements of a minimum of approximately A\$1,200,000 of the Company and its operating subsidiaries in Vietnam, namely VRC Weldmesh (Vietnam) Ltd, Vinausteel Limited, SSESTEEL Ltd, Total Building Systems Ltd, Austnam Joint Stock Corporation, to enable the Company and its subsidiaries to continue to expand their manufacturing capacity and capabilities.

In the event that Corbyns takes up all of its entitlement under the Offer, VII will raise a minimum of approximately A\$5,815,425 (before expenses of the Offer).

### **5.2 Effects of the Offer on Control and Capital Structure**

The principal effect of the Offer on the Company's capital structure will be to increase the total number of issued Shares to a maximum of 154,980,002 Shares.

The Offer is not expected to materially impact the control of the Company. Below is some information on the impact that the Offer may have on the control of the Company.

The current relevant interests of the two largest shareholders of the Company are as follows:

- (a) Corbyns International Limited and its Associates: 75.59% (comprising 77,539,007 Shares held by Corbyns and 561,280 Shares held by Mr Henry Van Hung Lam, who is an Associate of Corbyns, out of a total of 103,320,002 Shares currently on issue in the Company as at the date of this Offer Document); and
- (b) Land & General Berhad and its Associates: 12.58% (comprising 13,002,000 Shares out of the total of 103,320,002 Shares currently on issue in the Company as at the date of this Offer Document).

Corbyns has confirmed to the Company that it intends to take up all of its Entitlement as an Eligible Shareholder with respect to its holding of 77,539,007 Shares. Corbyns may not purchase any further Rights that may be sold on the ASX.

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<sup>1</sup> This assumes that all Eligible Shareholders take up their Entitlement under the Offer and the Rights that would have been offered to Excluded Shareholders are sold by the ASIC-approved nominee (in accordance with the process set out in Section 1.10 of this Offer Document) to purchasers who take up all their Entitlement.



Mr Lam is the Managing Director of the Company and is also a director and majority shareholder of Corbyns. Mr Alex Hambly is a director of the Company and is also a member of the board of Prudential Vietnam Securities Investment Fund Management Company, adviser to PCA International Funds SPC, Vietnam Segregated Portfolio, which is a substantial shareholder of Corbyns. Mr Hambly's alternate director, Mr Craig Martin is also a director of Corbyns.

As such, Mr Lam, Mr Hambly and Mr Martin do not consider themselves to be independent and have not been a part of any discussions in relation to the Offer or this Offer Document. The Board of the Company has implemented appropriate protocols relating to Mr Lam, Mr Hambly and Mr Martin's participation in Board and management discussions

The maximum increase in Corbyns and its Associates' relevant interest by reason of their Entitlement as an Eligible Shareholder will be 6.66% (bringing their maximum relevant interest to approximately 82.25%).

The following table shows the number of issued Shares at the date of the Offer and the total number of issued Shares at the close of the Offer based on the maximum total New Shares that may be issued under the Offer.

<b>Ordinary New Shares</b>	<b>Number</b>
Issued Shares at the date of the Offer Document	103,320,002
Maximum number of New Shares offered under the Offer Document <sup>1</sup>	51,660,000
<b>Total issued Shares at the close of the Offer</b>	<b>154,980,002</b>

An analysis of the changes in control has been undertaken to indicate the effect on Corbyns' (and its Associates') and Land & General Berhad's (and its Associates') total relevant interests in the Company under various scenarios. The results are detailed below.

**(a) Before Offer**

The following table shows the existing capital structure of the Company prior to this Offer.

<b>Shareholder</b>	<b>Shares</b>	<b>% of Total Shares</b>
Corbyns International Limited and Associates	78,100,287	75.59%
Land & General Berhad and Associates	13,002,000	12.58%
Others	12,217,715	11.83%
<b>Total</b>	<b>103,320,002</b>	<b>100%</b>

**(b) Scenario 1 - Maximum Entitlement take up**

The following table shows the capital structure of the Company if each Eligible Shareholder elects to take up all of their Entitlement and the Rights that would have been offered to Excluded Shareholders are sold by the ASIC-approved nominee (in accordance with the process set out in Section 1.10) to purchasers who take up all their Entitlement.

Shareholder	Shares	% of Total Shares
Corbyns International Limited and Associates	117,150,430	75.59%
Land & General Berhad and Associates	13,002,000	8.39%
Others	24,827,572	16.02%
<b>Total</b>	<b>154,980,002</b>	<b>100%</b>

**(c) Scenario 2 - Corbyns takes up 100% of its Entitlement, all other Eligible Shareholders take up 50% of their Entitlement and 50% of Rights of Excluded Shareholders lapse**

The following table shows the capital structure of the Company in the event that:

- (a) other than Corbyns, all Eligible Shareholders; and
- (b) all purchasers who purchase, from the ASIC-approved nominee, the Rights that would have been offered to Excluded Shareholders (in accordance with the process set out in Section 1.10 of this Offer Document),

each elect to contribute half of their respective Entitlements and Corbyns elects to take up all of its Entitlement under the Offer as an Eligible Shareholder.

Shareholder	Shares	% of Total Shares
Corbyns International Limited and Associates	117,010,110	78.78%
Land & General Berhad and Associates	13,002,000	8.75%
Others	18,522,643	12.47%
<b>Total</b>	<b>148,534,753</b>	<b>100%</b>

**(d) Scenario 3 - Corbyns takes up 100% of its Entitlement, Nil take up by Eligible Shareholders and all Rights of Excluded Shareholders lapse**

The table below shows the capital structure of the Company where:

- (a) all Eligible Shareholders (other than Corbyns) elect not to take up their Entitlement and all their Rights are allowed to lapse; and
- (b) all the Rights of the Excluded Shareholder are allowed to lapse.

Shareholder	Shares	% of Total Shares
Corbyns International Limited and Associates	116,869,790	82.25%
Land & General Berhad and Associates	13,002,000	9.15%
Others	12,217,715	8.60%
<b>Total</b>	<b>142,089,505</b>	<b>100%</b>

It is not expected that this change in the percentage holding by Corbyns will have any material consequences on the control of the Company.

### 5.3 Future intentions of Corbyns

Corbyns has no present intention to divest any Share it holds following the Offer.

Set out below are Corbyns' present intentions with respect to the Company's business and strategy following the Rights Issue.

**(a) ASX Listing**

Subject to maintaining a sufficient spread of Shareholders, Corbyns intends to retain the listing of the Company on the ASX.

**(b) Limitation on intentions**

Subject to Corbyns' ongoing review of the operations, assets, structure and employees of the Company and its subsidiaries, it is the present intention of Corbyns to procure that the Company will:

- (i) generally continue the businesses of the Company;
- (ii) not make any major changes to the business of the Company nor redeploy any of the fixed assets of the Company; and
- (iii) continue the employment of the Company's present employees.

This is a statement of current intention only, which may change as new information becomes available or as circumstances change.

The intentions and statements of future conduct set out in this Section 5.3 must also be read as being subject to the legal obligation of the Directors at the time, including any nominees of Corbyns, to act in good faith in the best interest of the Company and for the proper purposes and to have regard to the interests of the Shareholders.

The implementation of Corbyns' present intentions for the Company will be subject to the law (including the Corporations Act), the Listing Rules and the Company's constitution.

In particular, the requirements of the Corporations Act and the Listing Rules in relation to conflicts of interest and "related party" transactions will apply given that Corbyns will be treated as a related party of the Company.

Corbyns has confirmed it would only make a decision on its courses of action in these circumstances after it receives appropriate legal and financial advice on such matters and, where required, including in relation to any requirements for Shareholder approval.

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## **6. Additional Information**

### **6.1 Rights issue Offer Document**

This Offer Document is issued pursuant to section 708AA of the Corporations Act as an offer document for the offer of securities for issue, under a rights issue, without disclosure to investors under Part 6D.2 of the Corporations Act. Pursuant to the conditions imposed on the Company by section 708AA of the Corporations Act for the making of a rights issue without disclosure to investors, the Company will provide ASX with a notice that complies with the requirements of section 708AA(7) on 11 February 2008. In addition to certain minor and technical matters, that notice is required to:

- (a) set out any information that had been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
  - (ii) the rights and liabilities attaching to the Shares; and
- (b) state the potential effect of the issue of the securities on control of the body and the consequences of that effect.

### **6.2 Costs of the Offer**

If the Offer proceeds, the total estimated costs of the Offer, including processing fees, legal fees, fees for other advisers, Offer Document design, printing, postage and other miscellaneous expenses, will be approximately A\$50,000 (excluding GST).

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## 7. Definitions and Interpretation

In this Offer Document, unless the context otherwise requires:

**"Allotment Date"** means the expected date of allotment of New Shares to Applicants, being 5 March 2008.

**"Applicant"** means a person who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form.

**"Application"** refers to the submission of an Entitlement and Acceptance Form.

**"Application Money"** means the aggregate amount of money payable for New Shares applied for in a duly completed Entitlement and Acceptance Form.

**"ASIC"** means the Australian Securities and Investments Commission.

**"ASTC"** means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

**"ASTC Settlement Rules"** means the operating rules of the settlement facility operated by ASTC.

**"ASX"** means ASX Limited ACN 008 624 691 trading as the Australian Securities Exchange.

**"AWDST"** means Australian Western Daylight Saving Time.

**"Board"** means the Directors meeting as a board.

**"Business Day"** has the same meaning as in the Listing Rules.

**"CHESS"** means ASX Clearing House Electronic Sub-register System.

**"Cleansing Notice"** means a notice given to ASX in accordance with section 708A of the Corporations Act.

**"Closing Date"** the last day for payment and return of Entitlement and Acceptance Forms, being 26 February 2008.

**"Company"** means Vietnam Industrial Investments Limited ABN 64 063 656 333.

**"Company Secretary"** means the company secretary of the Company.

**"Constitution"** means the constitution of the Company lodged with ASIC.

**"Controller"** has the meaning given to that term in section 9 of the Corporations Act.

**"Corbyns"** means Corbyns International Limited ARBN 126 976 529 (Incorporated in the British Virgin Islands).

**"Corporations Act"** means the *Corporations Act 2001* (Cth).

**"Directors"** means the directors of the Company.

**"Eligible Shareholder"** means a Shareholder at the Record Date who is not an Excluded Shareholder.

**"Entitlement"** means the entitlement to subscribe for New Shares pursuant to the Offer.

**"Entitlement and Acceptance Form"** means the Entitlement and Acceptance Form accompanying this Offer Document.

**"Excluded Shareholders"** means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

**"Independent Board"** means the Board excluding Mr Henry Van Hung Lam, Mr Alex Hambly and his alternate, Mr Craig Martin and an **"Independent Director"** means each of the Directors on the Independent Board.

**"Issuer Sponsored"** refers to securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**"Land & General Berhad"** means Land & General Berhad Company Number 5507-H, a company with a registered address is in Malaysia.

**"Listing Rules"** means the official listing rules of the ASX.

**"Lodgement Date"** means the date so specified in the Timetable.

**"NatSteel"** means NatSteel Asia Pte, a company incorporated in Singapore.

**"New Share"** means a new Share to be issued under the Offer.

**"Nominee"** means Euroz Securities Limited ACN 089 314 983 acting as ASIC-approved nominee.

**"Offer"** means a pro rata renounceable offer to the Shareholders to subscribe for New Shares on the basis of 1 New Share for every 2 Shares of which the Shareholder is the registered holder as at 5.00 pm on the Record Date at an issue price of A\$0.15 each per New Share, pursuant to the Offer Document.

**"Offer Document"** means the offer of New Shares under this document and, where applicable, includes any Supplementary Offer Document and the Application to subscribe for the New Shares.

**"Official Quotation"** means the grant by ASX of "Official Quotation" (as that term is used in the Listing Rules) of all of the New Shares when allotted which if conditional may only be conditional on customary pre-quotation conditions.

**"Opening Date"** means 12 February 2008 or such other date as may be determined by the Directors.

**"Record Date"** means 6 February 2008 or such other date as may be determined by the Directors.

**"Rights"** means the right to subscribe for New Shares pursuant to this Offer Document.

**"Rights Issue"** means the issue of New Shares offered pursuant to the Offer.

**"Rights Issue Notice"** means the notice given to ASX in accordance with section 708AA of the Corporations Act.

**"Sale and Purchase Agreement"** means the document of that name entered into between the Company and NatSteel and disclosed to ASX on 7 March 2007.

**"Shareholder"** means a holder of Shares in the Company.

**"Share"** means a fully paid ordinary share in the capital of the Company.

**"Share Registry"** means Security Transfer Registrars Pty Ltd ACN 008 894 488.

**"Shortfall"** means the number of New Shares offered under the Offer for which Applications have not been received before the Closing Date.

**"Supplementary Offer Document"** means any supplementary offering document or replacement offering document or both in relation to the Offer issued by the Company.

**"SSESTEEL"** means SSESTEEL Ltd, a company incorporated in Vietnam.

**"Timetable"** means the indicative timetable set out in Section 1.2 of the Offer Document.

**"Vinausteel"** means Vinausteel Limited, a company incorporated in Vietnam.

Words and phrases have the same meaning (if any) as given to them by the Corporations Act.

Words importing one gender include other genders.

Words (including defined terms) importing the plural include the singular and vice versa.

A reference to a person includes a reference to a corporation.

Headings are for ease of reference only and do not affect the interpretation of this Offer Document.

Reference to Sections are to Sections of this Offer Document.

All references to currency are references to Australian currency (unless otherwise stated).

All references to time in this Offer Document are to Australian Western Daylight Saving Time (AWDST) unless expressly specified otherwise.



**ENTITLEMENT AND ACCEPTANCE FORM**

PLEASE READ CAREFULLY THE OFFER DOCUMENT DATED 29 JANUARY 2008 ACCOMPANYING THIS FORM. THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISER.

**VIETNAM INDUSTRIAL INVESTMENTS LIMITED**

ACN 063 656 333

**BUSINESS ADDRESS**

Level 5, 150 St Georges Terrace  
 PERTH WA 6000  
 Telephone: (08) 9322 2911  
 Facsimile: (08) 9322 2699

**SHARE REGISTRY:**

Security Transfer Registrars Pty Ltd  
**All Correspondence To: PO Box 535, APPLECROSS WA 6953**  
 770 Canning Highway, APPLECROSS WA 6153  
 Telephone: (08) 9315 2333  
 Facsimile: (08) 9315 2233  
 Email: registrar@securitytransfer.com.au  
 Website: www.securitytransfer.com.au

«HOLDER\_NAME \_\_\_\_\_»  
 «ADDRESS\_LINE\_1 \_\_\_\_\_»  
 «ADDRESS\_LINE\_2 \_\_\_\_\_»  
 «ADDRESS\_LINE\_3 \_\_\_\_\_»  
 «ADDRESS\_LINE\_4 \_\_\_\_\_»  
 «ADDRESS\_LINE\_5 \_\_\_\_\_»

Holder Number: «HOLDER\_NO\_»  
 Entitlement No: «REF\_NO»  
 «HOLDER\_TYPE \_\_\_\_\_»

Shareholding at 5:00 pm AWDST on 6 February 2008 «SECURITIES»	Entitlement to Shares 1 : 2 «ENTITLEMENT»	Amount payable on acceptance @ \$0.15 per New Share «AMOUNT»
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**A RENOUNCEABLE RIGHTS ISSUE OF APPROXIMATELY 51,660,000 NEW SHARES AT AN ISSUE PRICE OF \$0.15 PER SHARE ON THE BASIS OF ONE (1) NEW SHARE FOR EVERY TWO (2) SHARES HELD.**

IMPORTANT NOTICE: HOLDERS WHOSE EXISTING SHARES ARE HELD ON THE CHESS SUBREGISTER AS DETAILED ABOVE SHOULD IN THE FIRST INSTANCE CONTACT THEIR SPONSORING STOCKBROKER / AGENT IN RESPECT OF ANY PROPOSED ON-MARKET SALE OF THEIR RIGHTS.

RIGHTS TRADING COMMENCED ON 31 JANUARY 2008 AND IS EXPECTED TO CEASE ON 19 FEBRUARY 2008. THE RIGHTS REFERRED TO IN THIS FORM MAY BE TRANSFERRED ELECTRONICALLY ON CHESS BY SURRENDERING THE ENTITLEMENT AND ACCEPTANCE FORM TO YOUR SPONSORING STOCKBROKER BEFORE RIGHTS CEASE TRADING.

THIS ENTITLEMENT AND ACCEPTANCE FORM SHOULD NOT BE RELIED UPON AS EVIDENCE OF THE CURRENT ENTITLEMENT OF THE PERSON NAMED IN THIS ENTITLEMENT AND ACCEPTANCE FORM.

To the Directors  
 VIETNAM INDUSTRIAL INVESTMENTS LIMITED

1. I/We the abovementioned being registered at 5.00 pm AWDST on 6 February 2008, as the holder(s) of Shares in the Company hereby accept:  
**(PLEASE DELETE ONE)**  
 (a) my Entitlement in full  
 (b) less than my full Entitlement  
 as follows:

TO BE COMPLETED BY SHAREHOLDER	NEW SHARES ACCEPTED/APPLIED FOR	@ \$0.15 PER SHARE	AMOUNT ENCLOSED
Entitlement or part Entitlement as above		\$0.15	AUD\$
		<b>TOTAL AMOUNT DUE</b>	<b>AUD\$</b>

2. I/We enclose my/our cheque in Australian Dollars for the amount shown being payment at the rate of \$0.15 per Share (**made payable to "VIETNAM INDUSTRIAL INVESTMENTS LIMITED - SUBSCRIPTION ACCOUNT"**).

PLEASE ENTER CHEQUE DETAILS	Drawer	Bank	Branch	Amount

3. I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of New Shares issued to me/us.  
 4. I/We agree to be bound by the Constitution of the Company.  
 5. If any information on this Entitlement and Acceptance Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors of the Company as to whether to accept the Entitlement and Acceptance Form, and how to construe, amend or complete it, or to deposit such payment shall be final.  
 6. My/our contact numbers in case of enquiries are:

Area Code	Telephone Number	Area Code	Facsimile Number
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**THIS ENTITLEMENT AND ACCEPTANCE FORM DOES NOT REQUIRE SIGNING UNLESS YOU WISH TO CHANGE YOUR ADDRESS**  
**Please complete ONLY if your ISSUER SPONSORED address is incorrect**

Block Letters Please  
 NEW ADDRESS: CHESS HOLDERS CAN ONLY AMEND THEIR ADDRESS BY ADVISING THEIR SPONSORING BROKER  
 Your signature(s): .....

RETURN OF THIS DOCUMENT WITH THE REQUIRED PAYMENT WILL CONSTITUTE YOUR ACCEPTANCE OF THE SECURITIES BEING OFFERED IN ACCORDANCE WITH THE OFFER DOCUMENT DATED 29 JANUARY 2008

**PLEASE READ LODGEMENT INSTRUCTIONS OVERLEAF**

**THIS ENTITLEMENT AND ACCEPTANCE FORM WITH PAYMENT IN FULL MUST BE LODGED WITH THE SHARE REGISTRY NO LATER THAN 5.00PM AWDST ON 26 FEBRUARY 2008**

**VIETNAM INDUSTRIAL INVESTMENTS LIMITED  
LODGE MENT INSTRUCTIONS**

**ACCEPTANCE OF YOUR ENTITLEMENT**

(a) **IN FULL** - Complete this Entitlement and Acceptance Form, attach your cheque in Australian currency payable to **VIETNAM INDUSTRIAL INVESTMENTS LIMITED - SUBSCRIPTION ACCOUNT** for the Application Money payable as shown overleaf and forward them so as to reach the Company's Share Registry:

<p><b>Correspondence to:</b>  <b>Security Transfer Registrars Pty Ltd</b>  <b>PO BOX 535</b>  <b>APPLECROSS WA 6953</b></p>	or	<p>Hand Delivery:                  Security Transfer Registrars Pty Ltd                  770 Canning Highway                  APPLECROSS WA 6153</p>
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NO LATER THAN 5.00 pm AWDST on 26 February 2008.

(b) **IN PART AND SALE OF THE BALANCE OF YOUR ENTITLEMENT**- Fill out the panel below titled "Instructions to your Stockbroker", complete the Entitlement and Acceptance Form overleaf as to the New Shares being accepted and Application Money payable, and forward it together with your cheque in Australian currency payable to **VIETNAM INDUSTRIAL INVESTMENTS LIMITED - SUBSCRIPTION ACCOUNT** to your stockbroker with sufficient time to sell your Rights before 19 February 2008 which is the last day of Rights trading. Your stockbroker will then lodge your acceptance and cheque with the Company's share registry.

These instructions will need to be with your stockbroker in sufficient time to sell your Rights. Rights trading commenced on 31 January 2008 and is expected to cease on 19 February 2008.

**IF YOU HAVE SOLD OR PURCHASED SHARES PRIOR TO 5.00PM AWDST ON 30 JANUARY 2008:**

If you have purchased or sold Shares prior to 5.00 pm AWDST on 30 January 2008 (being the last day for trading on a cum rights entitlement basis) and this is not reflected in your shareholding shown overleaf, you should consult the stockbroker who acted for you to protect your entitlements or determine the action you should take. If you have sold all your Shares, complete the details below and forward this Entitlement and Acceptance Form intact to the stockbroker who acted for you.

Broker	No of Shares Sold	Holder Number

**SALE OF YOUR ENTITLEMENT IN FULL BY YOUR STOCKBROKER**

Complete the panel below titled "Instructions to your Stockbroker" and forward this Entitlement and Acceptance Form to your stockbroker with sufficient time to sell your Rights before 19 February 2008, which is the last day of Rights trading.

These instructions will need to be with your stockbroker in sufficient time to sell your Rights. Rights trading commenced on 31 January 2008, and is expected to cease on 19 February 2008.

**DISPOSAL OF YOUR ENTITLEMENT OTHER THAN THROUGH A STOCKBROKER**

Standard Renunciation and Transfer Forms must be used for all disposals of entitlements other than through a stockbroker. These may be obtained from your stockbroker or our Share Registry, Security Transfer Registrars Pty Ltd. These Renunciation and Transfer Forms must be completed both by the offeree as seller and by his/her nominated buyer. The duly completed Renunciation and Transfer Form should then be lodged with the Company's Share Registry by 5.00pm AWDST on 26 February 2008 together with this Entitlement and Acceptance Form and Application Money payable (from the buyer).

**PAYMENT**

All cheques (expressed in Australian currency) are to be made payable to "**VIETNAM INDUSTRIAL INVESTMENTS LIMITED - SUBSCRIPTION ACCOUNT**" and crossed "Not Negotiable". Do not forward cash, postal orders or notes. Receipts will not be issued.

Personal cheques drawn on overseas banks in Australian or any foreign currency will **NOT** be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Similarly, payments made direct to the Company's bank account will **NOT** be accepted, unless authorised by the Directors of VIETNAM INDUSTRIAL INVESTMENTS LIMITED.

**IMPORTANT NOTICE TO HOLDERS WITH SHARES ON CHES SUB-REGISTER**

Holders whose existing Shares are held on the CHES Sub-register as detailed overleaf should, in the first instance, contact their sponsoring broker in respect of any proposed sale of their Rights.

**GENERAL INFORMATION**

- (a) This Entitlement and Acceptance Form does not require signing unless you wish to change your address.
- (b) Applications will only be accepted on this Entitlement and Acceptance Form.
- (c) Entitlements either not accepted and/or renounced by 5.00 pm AWDST on 26 February 2008, will revert to the Company and the New Shares may be placed by the Directors at their discretion.
- (d) Uncertificated holders who are broker sponsored are reminded that any renunciation may only be dealt with through their sponsoring broker.

All times referred to in this Entitlement and Acceptance Form are Perth time, which is Australian Western Daylight Saving Time (AWDST). Cheques will be deposited on the day of receipt. Sufficient cleared funds should be held in your account as cheques returned unpaid MAY RESULT IN YOUR ACCEPTANCE BEING REJECTED. If you need further information on how to deal with your entitlements, telephone the Share Registry on (08) 9315 2333.

**PRIVACY STATEMENT**

Personal information is collected on this Entitlement and Acceptance Form by Security Transfer Registrars Pty Ltd as registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this Entitlement and Acceptance Form.

**ENQUIRIES**

If you have any further questions concerning this Offer, please telephone your stockbroker or financial advisor or the Share Registry on (08) 9315 2333

<b>INSTRUCTIONS TO YOUR STOCKBROKER</b>		
To be completed and sent to your Stockbroker ONLY IF YOU WISH TO SELL the whole or part of your entitlement.		
I/We HAVE ACCEPTED	<input style="width: 90%;" type="checkbox"/>	Rights AS PER REVERSE SIDE
and attach to this Form my/our cheque for	<input style="width: 90%;" type="checkbox"/> <b>A\$</b>	Being Application Money at \$0.15 per Right
PLEASE SELL	<input style="width: 90%;" type="checkbox"/>	Rights
This instruction *has/has not previously been notified to you.		

\*Please delete as appropriate

**ISSUE CLOSES 5.00PM AWDST 26 February 2008**