

# BUSINESS

## A big-screen venture into Vietnam

By Brett Sporich  
Pasadena Star News

SAN MARINO — A local entertainment industry executive recently helped broker a unique agreement between a Hong Kong-based partnership and the Vietnamese government to build and operate a series of multiplex movie theaters throughout Vietnam.

Tricolor Entertainment Inc. Chief Executive Officer Craig C. Darian of San Marino and VisionNet International Inc. counterpart Raymond Lin created a partnership called ChinAmerica to build 36 movie theaters with 150 screens throughout Vietnam.

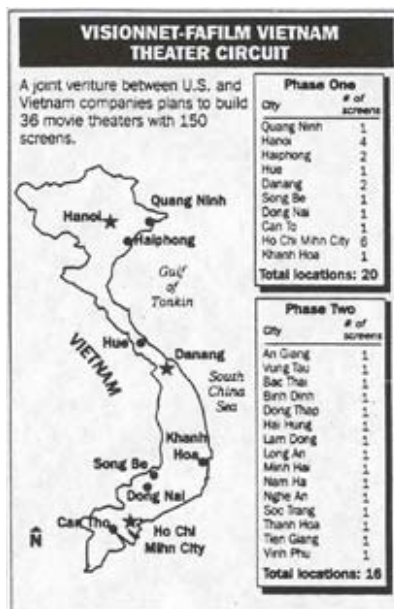
FAFILM Vietnam, the government agency charged with importing and licensing films and videos, recently signed a joint agreement allowing ChinAmerica the exclusive rights to build and operate the theaters.

Darian said that under the joint venture with FAFILM, ChinAmerica plans to distribute American-released feature films to be shown in its new and renovated theaters.

"Vietnam has proven to be one of the great emerging markets in the world, with over 70 million people who are showing the same type of appetite for Western culture as demonstrated by the Japanese shortly after World War II," VisionNet's Lin said. VisionNet has offices in Los Angeles and Hong Kong.

Hong Kong-based companies are second only to Taiwan, as a whole, in the list of investors in Vietnam, with more than 200 current capital projects and \$2.6 billion invested, according to The Vietnamese Business Journal.

Darian, whose Tricolor partner Howard Kazanjian produced films such as "Return of the Jedi," "Raiders of the Lost Ark" and "Demolition Man," said most Vietnamese must attend small crowded venues to view films on videotape with poor sound systems.



ChinAmerica plans to change all that with modern multiscreen theaters being first built in Hanoi, Ho Chi Minh City and Da Nang. The company hopes to create entertainment centers that will bring additional profits from merchandising, music, videos, books and even Hollywood-themed restaurants.

"Opening a multiplex movie theater in Vietnam is analogous to opening a theme park here in the U.S. There's been a great deal of excitement," Darian said.

The Vietnamese government is donating the land and ChinAmerica is providing 100 percent of the capital to renovate several existing theaters and design and build several more, Darian said.

"We now have \$23 million in two separate bank accounts in Vietnam to secure the project," he added. "And we expect further expansion to be funded through ticket sales."

The Vietnamese are now paying about \$1.00 to view videotaped American movies in poorly appointed venues. ChinAmerica plans to sell tickets at its state-of-the-art theaters for \$3.50.

Under the ChinAmerica plan, potential daily profits may exceed \$3,000 per screen, realizing an overall annual gross potential of \$1.1 million per screen. Multiply that by 25 theaters and the gross profit potential could top \$28.3 million, the break-even point on ChinAmerica's original investment Darian said.

"Many people have underestimated the amount of disposable income that the people of Vietnam really have," Darian said. "The reason is that they've been very good at hiding it. Our market research shows that demand is high and the \$3.50 ticket price is achievable."