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VIETNAM INVESTMENT & TRADE ASSOCIATES

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GREGORY R. ARNOLD
MANAGING DIRECTOR

June 14, 1993

Admiral Elmo R. Zumwalt, Jr.
1500 Wilson Boulevard
Arlington, VA 22209

Dear Admiral Zumwalt:

I am writing to you on the referral of John Whitehead, who suggested that I contact you regarding my interest in Vietnam. I would like to request an informational meeting with you to discuss your activities in Vietnam. Through the press I became aware of your activities there.

For the last year, I have worked independently to establish a network in Vietnam to enable the origination and execution of investment and trading opportunities there after the lifting of the US embargo. I am extremely optimistic about the prospects for business and investment in Vietnam and am seeking an arrangement with an individual or group where I can complement their interest in this area.

Thank you for your consideration of my request. For your information, I have attached some background material on my efforts. I look forward to speaking with you soon and will follow this letter with a phone call to your office.

Sincerely,

Gregory R. Arnold

Vietnam Investment & Trade Associates

Overview

What is VITA?

VITA is a private firm focused on developing investment and trade opportunities on behalf of its clients and for its own account in the newly emerging market of Vietnam. The Principals target projects with a high potential to generate superior returns at an acceptable level of risk in industries that are expected to experience significant growth as Vietnam modernizes its economy. They are committed to operating at the highest professional standards. VITA's clients are primarily corporate and financial investors with a long term outlook who are bullish about Vietnam's prospect's for their businesses or portfolios.

Why Vietnam now?

The end of years of war, the collapse of the Soviet Union and its Eastern European clients, and the economic isolation imposed by the US embargo on Vietnam have created a unique business opportunity: pent-up demand for investment and goods in a country rich both in natural endowments and human capital. Vietnam is a politically stable socialist country aggressively seeking to integrate into the global economy.

Vietnam offers significant business opportunities: some of the world's lowest labor costs; a highly literate (88%), and rapidly growing population of almost 70 million people, over 70% of whom are under 40 years of age; abundant natural resources; a liberal foreign investment code; demonstrated demand in every economic sector, and a strategic location in the world's most dynamic region, with over 1700 kilometers of relatively undeveloped coastline.

Since the beginning of "doi moi" or "renovation" (1987) foreign investors and traders from Asia and Europe have capitalized on profitable opportunities in Vietnam. With the impending lifting of the US embargo, and the subsequent sizable infrastructure investments planned with the help of the World Bank, Asian Development Bank, and other international agencies and governments, the attractiveness and pace of investment and trade should only increase. Vietnam awaits America's long overdue recognition so that its can accelerate its modernization and have the US play a countervailing role in its development.

Things are not always what they seem.

Vietnam offers apparently limitless potential, but things take time and can be confusing. Many investors and traders have stayed and continue to benefit immensely; many have come and gone, already! At one time or another foreign companies seeking to enter this market have asked themselves: "What is the opportunity for my company?"; "Are we dealing with the right people?"; "Where have others failed so that we may succeed?"; "Is my local partner the right one?"; "Do we even need a local partner?"; "How will government policy change and how will we be affected?"; "How do we get through the investment process?", "What about our competition?", and, of course, "How do we get our money out and protect our investment?".

HOW VITA CAN HELP YOU SUCCEED.

We will assemble an in-country team experienced in the Vietnamese market to focus on your specific needs. We will work with you and for you to hasten the investment or trade process and to increase your chances of success. By working with people who know the system and its pitfalls you can ensure that your proposals get proper consideration from the right people - from the start. Our knowledge and relationships can help to ensure that your local partner is the right one and that you are not blindsided by common mistakes and impending policy changes. We can help you navigate the obstacles others have encountered and advise you when to charge ahead, when to proceed with caution, or when to wait. We can help you to succeed in a market where good contacts and information mean everything.

CLIENT SERVICES

We can provide complete or partial assistance with the following:

INVESTMENT SERVICES

-Market and investment analysis and competitor tracking
-Determination of entry strategy - case-by-case contracts, representative office, joint-venture, 100% foreign-owned, or build-operate-transfer (BOT)
-Identification and screening of investment opportunities/joint-venture partners
-Preparation of feasibility study/investment license application
-Negotiation, deal structuring, and relationship management with State Committee for Cooperation and Investment, relevant government ministries, and joint-venture partner
-Identification of co-investment and project finance sources
-Project implementation

TRADE SERVICES

-Analysis of market demand, competition, and timing
-Screening of potential distributors/trading partners/opportunities
-Identification of trade finance sources
-Preparation and submission of representative office application
-Assessment of tariff and regulatory requirements

GENERAL SERVICES

-Real estate and personnel recruitment
-Visa and travel arrangements
-Arrangement of trade missions
-Translation and interpretation
-Referrals to qualified legal, accounting, or other professionals

BIOGRAPHIES

Gregory R. Arnold, based in Asia and the United States, is a former investment banker with Kidder, Peabody & Co. Incorporated where he focused on Mergers and Acquisitions and Corporate Finance for middle-market companies in manufacturing, service, and real estate-related industries. Prior to that he performed similar functions for Goldman, Sachs & Co. in their Energy and Telecommunications Group. In his capacity as investment banker, Mr. Arnold has spent considerable time dealing with Asian companies, investors, and lenders. He has also worked in real estate with the Trammell Crow Company. Mr. Arnold earned a Masters in Business Administration from the Harvard Business School and a Bachelor of Arts from the University of California at San Diego, where he studied economics and political science. He has studied with a well-known Vietnam scholar and was a member of the Steering Committee of the University of California Institute for Global Conflict and Cooperation, a think-tank focused on east-west issues.

Nguyen Thu Do, based in Hanoi, is a former Economist with the Council of Ministers, Vietnam's chief policy-making body. He participated in planning Vietnam's economic strategies for the 7th Party Congress in June 1991 and helped draft the Law on Foreign Investment. Prior to that, Mr. Do was an Economist with the Central Committee of the Communist Party analyzing the efficiency of economic ties between Vietnam and the former Soviet Union. There he recommended measures to promote bilateral trade based on market pricing and represented Vietnam at numerous Comecon conferences. Mr. Do has also worked as a trade representative participating and finalizing negotiations between Vietnamese and Soviet companies. He earned a Masters in Business Administration from Harvard University, where he was a World Bank scholar. He was also awarded a certificate in Project Appraisal from the Harvard Law School. Mr. Do was awarded a Certificate in Multi-Sector Economic Management from National Economics University in Hanoi where he focused on successful management strategies for state-owned companies and increasing the role of the private sector in the economy. He also holds a Bachelor of Arts from the Moscow Institute for International Relations in the former USSR where he concentrated on foreign trade and international business.

Jack Parell, based in Manila and New York, is a former investment banker with over 15 years of experience. He was formerly a Director/Principal at Credit Suisse First Boston and a Vice President at Goldman, Sachs & Co. in New York. Prior to that, he was a Managing Director in Public and Municipal Finance at Dean Witter Reynolds. During his career, Mr. Parell has raised over $100 billion of both public and private financing for his clients, some of the largest companies and government agencies in the US and abroad. His investment banking experience includes project financing, privatizations, government debt financings, corporate debt and equity financing, equipment and project leasing, and mergers and acquisitions transactions. Mr. Parell earned a Masters in Business Administration from New York University. He also holds a Juris Doctorate form Villanova University and a Bachelor of Arts from Georgetown University. He is currently a General Partner of US Global Funding Corporation, a private project finance firm focusing on large scale projects in the Phillipines and other ASEAN countries.

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BIOGRAPHIES

Dinh Thi Hoa, based in Vietnam and Bangkok, is Consultant to VITA on a variety of matters, including project identification. Ms. Hoa is currently pursuing Vietnamese business development opportunities in the consumer products industry for a major multinational corporation. She has worked in Vietnam for the United Nations as a Project Officer. Additionally, she spent several ycars in thc Foreign Ministry of Vietnam responsible for the in-country activities of foreign dignitaries and journalists. Ms. Hoa was the first Vietnamese national to graduate from the Harvard Business School, where she was a World Bank scholar. She received a Bachelor of Arts degree at the Moscow Institute of International Relations in the former USSR. As a result of her work with the Foreign Ministry and her educational background, Ms. Hoa has developed relationships with many of Vietnam's top leaders of government, business, and finance.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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