

ASX RELEASE

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Donaco International to Pursue Growth in Asia-Pacific Region

Two Way Limited (ASX: TTV) is pleased to announce that it has today signed a Share Sale Agreement with Donaco Singapore Pte Ltd, following the completion of due diligence investigations.

The transaction creates a new gaming and wagering, leisure and hospitality group that will pursue growth opportunities in the Asia Pacific region.

Two Way shareholders will be asked to approve the transaction at the Annual General Meeting on November 22, as well as a change of the Company name to **Donaco International Limited**.

Donaco will emerge with approximately 94.8 per cent of the combined entity ahead of a planned share capital consolidation to broaden the Company's capital base.

The transaction also involves a restructuring of the Two Way board, with the addition of Donaco representatives Mr Lim Keong Yew, Mr Benjamin Lim Keong Hoe and Mr Mak Siew Wei as directors.

Commenting on the completion of the transaction the Chairman of Two Way, Mr Stuart McGregor, said: "This is a "step change" transaction for the Company and we look forward to the new opportunities that will be created by combining the online and interactive expertise of Two Way with the casino and hospitality management skills of Donaco."

Commenting on behalf of Donaco, Mr Lim Keong Yew said: "The wagering and hospitality industry is going through significant change across the Asia Pacific region and we believe that this transaction will deliver synergies and benefits that will position Donaco International as a significant participant in the industry."

"We are creating a cash-flow positive and profitable ASX-listed company and Donaco entered into the transaction with Two Way after identifying Australia as a solid, low risk environment with professional investors who understand the gaming sector."

The key asset of the combined entity will be a 75 per cent stake in the luxury Lao Cai International Hotel in Lao Cai, Vietnam, which is currently undertaking a major expansion.

Once the expansion is complete, Lao Cai International Hotel will operate 428 rooms, a selection of 26 gaming tables and up to 150 slot machines. This is expected to result in a significant increase in revenue, building further on the 38.3% increase in revenue that the business enjoyed in the six months to June 2012 (compared to the previous corresponding period).

Mr Lim from Donaco said that while the priority was to complete the expansion of Lao Cai International Hotel, Donaco International would explore a range of new online gaming and potential casino opportunities.

"The combined skills sets of Two Way and Donaco means that we can consider new interactive



media and gambling applications, while also pursuing new licenses that will allow us to develop and operate hotels and casinos,” Mr Lim said.

Donaco has been founded on the same guiding principles and expertise that founded the Genting group, which is one of the largest leisure and hospitality operators and developers in Asia.

Mr Lim Keong Yew and Mr Benjamin Lim Keong Hoe are grandsons of the late Tan Sri Lim Goh Tong, the founder and former Chairman of Genting Berhad, the holding company of the various Genting and Resorts World operating entities across Asia.

“While Donaco is a completely separate and independent entity and has its own investment criteria and objectives, we benefit from the history and expertise of the family business in areas such as casino development and management,” Mr Lim said.

“Many of our staff at Lao Cai International Hotel have worked and trained with the family business in Malaysia and Singapore.”

“We believe that Lao Cai International Hotel is well placed to take advantage of the tourism growth from mainland China and is easily accessible because of geographical location near the China border.”

Details of Transaction

In previous announcements, Two Way has stated that it will acquire Donaco's 75% interest in the Lao Cai International Hotel. The parties have agreed to restructure the transaction so that Two Way will acquire all of the issued capital in Donaco, which will contain only the 75% interest in Lao Cai.

Timetable

- Annual General Meeting is proposed for November 22 to vote on the transaction
- If the transaction is approved, Donaco International will grant one free option to its shareholders for every two shares held, at a pre consolidation exercise price of \$0.015
- A consolidation of the expanded capital base is planned

Benefits of the combined entity

- Consolidation of complementary skills and assets in the gambling industry
- Cash flow positive and profitable ASX listed entity
- Improved international reach and relationships
- Strengthened share register
- Greater market liquidity
- Greater range of relevant skill sets at Board level
- Improved access to funding

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ABOUT TWO WAY LIMITED (ASX: TTV)

Two Way creates, develops and builds advanced interactive media and gambling applications for mobile, internet, TV and IPTV platforms. Our competitive strengths include our specialised expertise, patented technology and library of interactive applications which have been deployed on all devices.

Two Way has developed an award-winning interactive TV wagering service with Tabcorp Holdings Limited (ASX:TAH) taking in New South Wales and Victoria in conjunction with Foxtel, and seen on Sky Racing 1, Sky Racing 2 and Sky Racing World. This has now been extended to include Racing and Wagering Western Australia (RWWA) and TattsBet Limited (ASX:TTS) covering Queensland & South Australia. Two Way has the potential to establish similar relationships with other wagering and broadcasting partners throughout Australia and overseas.

Our interactive wagering technology offers advanced betting features and related information, utilising the red button on the Foxtel remote providing the latest synchronization techniques to enhance the user experience. This technology can be applied to both racing and sports betting applications.

Our Way2Bet portal offers an extensive range of information resources to help punters bet better. These services are available via online and mobile platforms at www.way2bet.com.au and way2bet.mobi.

Two Way's products are currently being deployed by leading wagering and interactive TV operators in Australia and New Zealand. Our clients include Tabcorp, RWWA, TattsBet, Centrebet, IAS Bet, Luxbet, Sportingbet, Betfair, Optus TV, LG, Samsung and Sky New Zealand.

To learn more about Two Way visit www.twowaytv.com.au

