



ASX: DNA

ASX RELEASE

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Chairman's Address to EGM

The attached Chairman's Address will be delivered at today's Extraordinary General Meeting of Donaco International Limited (ASX:DNA).

For further information:

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ABOUT DONACO INTERNATIONAL LIMITED (ASX: DNA)

Donaco International Limited operates leisure, entertainment and associated technology businesses across the Asia Pacific region.

Our flagship business is the Lao Cai International Hotel, a successful boutique casino in northern Vietnam. The Lao Cai International Hotel was established in 2002, and is located on the border with Yunnan Province, China. Donaco operates the business and owns a 75% interest, in a joint venture with the Government of Vietnam.

The Lao Cai International Hotel is the first fully licensed table gaming business in Vietnam. The property is currently being expanded from a 3-star 34 room hotel, to a brand new resort complex with 428 hotel rooms.

Donaco also owns and operates the TAB Active TV wagering service in Australia, in partnership with all major TAB operators (Tabcorp Holdings Limited, Tatts Limited and Racing and Wagering WA). We also own and operate the Way2Bet online and mobile wagering portal, whose customers include all major corporate bookmakers in Australia.

To learn more about Donaco visit www.donacointernational.com



Donaco International Limited
Extraordinary General Meeting
Friday 10 May 2013

Chairman's Address

Good morning ladies and gentlemen. Welcome to the first General Meeting of Donaco International Limited since our relisting on the ASX on 1 February 2013.

I would like to start by making some introductions. As you may know, I am your Managing Director, Joey Lim Keong Yew. I will be chairing the meeting today, in the absence of our Chairman, Stuart McGregor. Stuart sends his apologies as he is in Europe to attend his daughter's wedding.

Also present is Gerald Tan, one of our non-executive Directors, and Ben Reichel, also a Director and the Company Secretary. We also have apologies from our other two Directors, Benjamin Lim Keong Hoe and Mak Siew Wei.

On behalf of the entire Board I would like to thank you for being with us today, and for your support of DNA.

Our business focus is on boutique leisure and entertainment opportunities in the Asia Pacific region. We also operate associated technology businesses. Our flagship property is the Lao Cai International Hotel, a successful hotel and casino in northern Vietnam, on the border with Yunnan Province, China.

The Lao Cai International Hotel has shown strong growth in recent years, due to improved marketing and infrastructure improvements in the region, particularly on the Chinese side of the border. For the three months to March 2013, the business saw revenue growth of 41.9%, and net profit growth of 48.1%, compared to the March 2012 quarter.

The business has been so successful that we are now operating at capacity, with more demand from players than we can satisfy. Accordingly we have decided to invest in a substantial new property in Lao Cai, to house a greatly expanded hotel and casino business.

The building work for the new property is well under way, with nine floors now completed. The full height of 12 floors will be reached in the next two months. Mechanical and engineering work is progressing well. Our target is to have the gaming floor and at least 100 hotel rooms (out of the total of 428 rooms) open for business in time for Chinese New Year, our peak trading period, in early February 2014.

The opportunity to expand the Lao Cai International Hotel is an exciting one for the Company. As noted above, the business has grown very strongly in recent years. With the ongoing infrastructure improvements on both sides of the border, and our strong relationship with the local provincial government, we are confident that the property has plenty of growth still to come.

With this in mind, we sought equity capital to fund the expansion of the Lao Cai property. We are very pleased with the support that we have received from the joint lead managers to the issue, Baillieu Holst and Canaccord Genuity, and with the very positive response from leading institutions in Australia and in Asia. Accordingly, we have convened this EGM to complete the capital raising process.

