



ASX: DNA

## ASX RELEASE

24 July 2013

### Donaco to Increase Ownership Stake in Vietnamese Casino

Donaco International Limited (the **Company**) is pleased to announce that it has reached a non-binding agreement in principle to increase its stake in the joint venture company operating the Lao Cai International Hotel.

The Lao Cai International Hotel is a successful boutique casino in northern Vietnam, on the border with Yunnan Province in China, which has been operated by Donaco since 2002. In recent years, the business has grown strongly, due to improved marketing and improvements in transport and other infrastructure, particularly on the Chinese side of the border.

Donaco operates the business, and currently has a 75% ownership interest in the Lao Cai International Hotel Joint Venture Company (JVC). The remaining 25% of the JVC is held by the Government of Vietnam, via a state-owned enterprise called PetroVietnam Sapa Tourism Joint Stock Company (PVST).

Donaco and PVST have now reached agreement in principle for Donaco to buy an additional 20% interest in the JVC, leaving the Government of Vietnam with the remaining 5%. Donaco's total cost to acquire the 20% stake is US\$4 million.

The parties have signed a non-binding Memorandum of Understanding to reflect the agreed transaction. Completion of the transaction is subject to completion of the legal procedure under the JVC contract for the transfer of the stake, together with receipt of all regulatory approvals. This may take approximately three months, with the full price to be paid when the transfer is completed.

Mr Bac, Chairman of PetroVietnam Sapa Tourism, said "We have had a very successful relationship with Donaco for more than 10 years now. As a result of the significant investment made by Donaco over the years, we have agreed to sell the majority of our interest in the Lao Cai International Hotel JVC to them. The significant investment and expertise contributed by Donaco has elevated the economic status of Lao Cai province. We are very pleased that our relationship with Donaco will continue, under this new arrangement, for a long time in the future."

Mr Joey Lim, Managing Director of Donaco, said "We continue to see good potential for growth in our long-established business in Lao Cai Province, particularly with the construction of our new 428-room resort hotel. We are very pleased that this increase in our ownership stake will now reflect the significant investments that we have made in the region, and will allow us to capture more of that growth in the year ahead."



“Most of all, we are happy that our very successful and long established Business to Government relationship with Lao Cai Province will continue for many years to come.”

**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 successful online and mobile technology businesses, including secure mobile banking and payment gateways across South East Asia. We also own and operate the Way2Bet wagering portal, whose customers include all major corporate bookmakers in Australia.

To learn more about Donaco visit [www.donacointernational.com](http://www.donacointernational.com)

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