



ASX: DNA

ASX RELEASE

20 May 2014

Asia G2E Conference Presentation

Donaco International Limited lodges the attached presentation to be given today by the Managing Director, Mr Joey Lim, to the Asia G2E (Global Gaming Expo) conference in Macau.

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 Aristo International Hotel, a successful boutique casino in northern Vietnam. The business was established in 2002, and is located on the border with Yunnan Province, China. The property has recently been expanded to a brand new five star resort complex with 428 hotel rooms.

Donaco is a pioneer casino operator in Vietnam. Donaco operates the business and owns a 95% interest, in a joint venture with the Government of Vietnam.

Donaco also owns and operates successful gaming technology businesses, including secure mobile payment gateways across South East Asia, and the Way2Bet wagering portal, whose customers include all major corporate bookmakers in Australia.

To learn more about Donaco visit www.donacointernational.com



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Verifying Vietnam

Mr Joey Lim Keong Yew

Managing Director

Donaco International Limited (ASX:DNA)

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Background on Donaco

- Founded in 2001 by MD Joey Lim Keong Yew and his late grandfather, Tan Sri Lim Goh Tong (founder and chairman of the Genting Group)
- Pioneer of the Vietnamese gaming industry, with 12 years of successful operation. JV with Vietnamese Government
- Just opened the Aristo International Hotel, a brand new 5 star hotel with 428 rooms, up to 50 gaming tables, 62 slots (max 150), and max 150 electronic table games
- Located in Lao Cai, on the border with Yunnan Province, China (population c.46m)
- Average revenue per table per day of USD5737 in March 2014 quarter (across 8 licensed gaming tables)
- 90% of turnover from VIPs, who check in a minimum of RMB600,000, with minimum bet size of RMB3,000
- Management consists of veterans from the Genting Group



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The Vietnamese Gaming Industry

- Investment certificate for a hotel or large scale recreation facility may allow “entertainment center with bonus games for foreigners”
- Slots clubs vs. Table game casinos
- Gaming proposals require support of provincial and central government
- Vietnam has 58 provinces and 5 independent municipalities, but only 7 table game casinos (in 6 provinces)
- Some reports say that there are at least 43 slots clubs
- Gaming tax is 30% of GGR, but junket commissions can be deducted
- Higher commissions drive GGR, while tax deductibility protects net revenue
- Corporate tax recently reduced to 22%

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Existing Casinos

Lao Cai International Hotel (8 tables) – Lao Cai Province

Royal International Club, Ha Long Bay (18 tables) and Li Lai International Hotel, Mong Cai (8 tables) – Quang Ninh Province

Phoenix International Club (6 tables) – Bac Ninh Province

Do Son Casino (17 tables) – Hai Phong City

Crowne Plaza (20 tables) – Danang City

Grand Ho Tram (90 tables) – Ba Ria-Vung Tau Province

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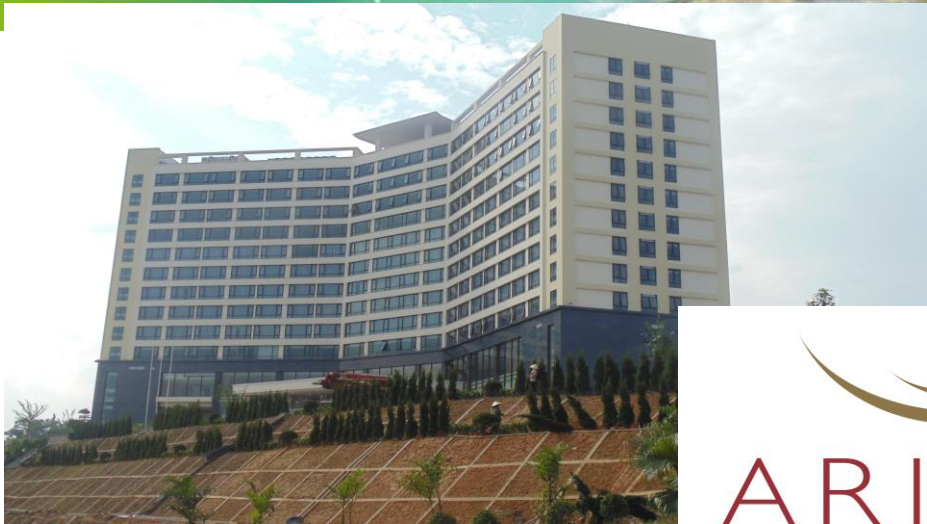
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Recent Developments and Investment Proposals

- National Assembly Standing Committee debated latest version of casino decree in late April 2014
- No immediate relaxation of law prohibiting locals from gambling. However Vietnamese Government continues to explore trial program
- Estimated that locals ban costs Vietnam USD800m per year in lost tax revenue*
- Border casinos in Cambodia reported to have 1500 visitors a day from Vietnam*
- Proposed minimum investment of USD4 billion for new casino projects has been suggested for many years (since 2007)
- Continuing interest from major operators (eg. Sands, Melco Crown – according to media reports in April 2014)
- We see this as a vote of confidence in the Vietnamese gaming market, endorsing what Donaco has been doing for more than 12 years

** Reuters 12 Feb 2014; VietNamNet Bridge 23 April 2014*

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Understanding the market

- Local players are not required if the property and service are right
- Growth in Chinese visitors to Vietnam is strong – up 33.5% to 1.9m in the 12 months to December 2013*
- Spend by outbound tourists from China is expected to triple to RMB1,400 billion by 2020 (15% compound annual growth rate)*
- Aristo VIP players would be premium mass market players (at best) in Macau
- Continuing increase in minimum bet sizes in Macau is driving non-VIP gamers to other destinations
- Recent tensions have had no impact on our business to date. Visitor numbers are up strongly for May 2014 so far

* Vietnam National Administration of Tourism; CLSA

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Keys to Success in Vietnamese Gaming

- Track Record and Experience
- Financial Capability and Transparency
- Management Expertise
- Location and Accessibility
- Relationships with Players and Junkets
- Gaming Floor Offering and Layout
- Exclusive VIP Facilities