

ASX : DNA

asx release



28 January 2022

Chairman's Statement: 2021 Annual General Meeting

Ladies and Gentlemen, before commencing the formal business of today's meeting I would like to give you an overview of Donaco's performance and developments over the past 12 months, as well as briefly outlining our strategy going forward. I will then provide a more comprehensive presentation on our operations and the strategic initiatives underway.

2021 was another challenging year for the Company as the COVID-19 pandemic and its effects on our casinos and the broader communities where we operate continued to linger.

The Donaco Board and Management team have taken all necessary actions to minimise the impact of the virus on its Star Vegas and Aristo operations, as keeping staff and visitors safe remains our top priority.

In line with government restrictions in response to the pandemic, our Star Vegas casino in Cambodia has been closed since 27 April 2021 and our Aristo casino in Vietnam has been open on a limited basis since 8 May 2020.

This has obviously impacted our financial results, as we reported FY21 revenue of A\$10.32 (FY20: A\$53.39m) and negative EBITDA of A\$0.07m (FY20: A\$10.38m).

In light of the pandemic induced challenges, we have continued to focus on protecting our balance sheet, and we've taken rigorous measures to protect the business by keeping our costs down and preserving our cash.

We fully paid down our Loan Facility with main lender Mega Bank, with the final payment made last month. This debt reduction helps us to preserve shareholder value.

We have also reached a monthly cash burn rate of approx. A\$480k well in line with the previously targeted range. This in tandem with our pragmatic initiative to shift our focus towards attracting clientele from the local region enabled Aristo to achieve positive EBITDA of A\$0.30m for the first three months of FY22, demonstrating the strength of the asset.

Looking ahead I am optimistic about Donaco's future. Strong vaccination rates in the region where we operate have led the governments of both Thailand and Cambodia to target the easing of border and travel restrictions in February 2022, with the Thai Government announcing that from 1 February 2022 quarantine-free travel vaccinated arrivals will commence.

Additionally, towards the end of 2021 the Vietnamese Government approved the construction of Sapa airport, as the local economy seeks to rebound from COVID-19. Sapa airport will be built over the next 3 to 4 years in Lao Cai, the region where Aristo is located, with capacity of 1.5 million passengers a year. This presents a major opportunity for our Aristo casino to attract a significant number of new customers.

These increasingly positive macroeconomic factors combined with our strengthened balance sheet and cost-efficient operations have placed us in a great position to achieve sustainable long-term growth as life and travel patterns gradually return to normal.

I would like to conclude by sincerely thanking all our shareholders for your patience and loyalty during this challenging period.

[ENDS]

Authorised for release by the Board.

For further information contact:

Investors

Porntat Amatavivadhana
Donaco International Limited
porntat@donacointernational.com

Media

Shane Murphy
FTI Consulting
+61 420 945291
shane.murphy@fticonsulting.com

Donaco International Limited

c/- Lumina,
Level 43, 25 Martin Place
Sydney, NSW 2000

[TEL] +61 (02) 9106 2149 **[FAX]** +61 (02) 9106 2106
[ABN] 28 007 424 777