

ASX : DNA

asx release



24 June 2019

Refinancing of Mega Bank Loan

Donaco International Limited (“Donaco” or “the Company”) announces that it has signed binding agreements with Mega International Commercial Bank of Taiwan (“Mega Bank”) to refinance and restructure its existing term loan facility.

As part of the restructure of the loan, the principal repayment of USD8.55 million that was previously due in August 2019 has been brought forward. Donaco has now repaid USD4m of the principal in April 2019, and a further USD4.55 million in June 2019.

The outstanding amount of the principal has therefore now been reduced to USD22.8 million.

The next principal repayment has been reduced to USD5 million, and is payable in December 2019. Further principal repayments of USD5m each will be made in June and December 2020, before a final payment of USD7.8 million in June 2021.

In addition, certain loan covenants have been relaxed, with the following covenants now applicable under the new facility:

- (1) Interest cover – the ratio of EBITDA at Donaco Hong Kong Limited to consolidated finance charges must not be less than 4:1 for FY19, and 6:1 for FY20. (Donaco Hong Kong Limited is the holding company for the Star Vegas business).
- (2) Total cash holdings – the minimum cash requirement across the Donaco group as at June and December 2019 is AUD15m. For June and December 2020, it is AUD20m.

There is no change to the restrictions on dividends and buybacks, which continue to be restricted to 100% of reported statutory net profit after tax for each financial year. In this regard, Donaco notes that due the impairment charge recorded in the December 2018 half year results, there will be a statutory net loss for FY19. Accordingly no dividends or buybacks are permitted in FY20.

Finally, with reference to the Company’s ASX release dated 4 March 2019, Mega Bank has agreed not to treat the appointment of receivers over the Lim Family shares as a “change of control” event.

For further information:

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ABOUT DONACO INTERNATIONAL LIMITED (ASX: DNA)

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

Our major business is the Star Vegas Resort and Club, a successful casino and hotel complex in Poipet, Cambodia, on the border with Thailand. Star Vegas was established in 1999, and is the largest and highest quality of the Poipet casino hotels. The property has more than 100 gaming tables, more than 1400 slot machines, and 385 hotel rooms.

Our flagship business is the Aristo International Hotel, a successful boutique casino in northern Vietnam, located on the border with Yunnan Province, China. Established in 2002, the property has recently been expanded to a brand new five star resort complex with 400 hotel rooms. Donaco is a pioneer casino operator in Vietnam, and owns a 95% interest in the business, in a joint venture with the Government of Vietnam.

To learn more about Donaco visit www.donacointernational.com
