

ASX : DNA

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27 July 2020



Donaco successfully completes Entitlement Offer

Donaco International Limited (“**Donaco**” or “**the Company**”) is pleased to announce the successful completion of the pro-rata, non-renounceable entitlement offer of new ordinary shares in Donaco (**New Shares**) as announced on Friday, 3 July 2020 (**Entitlement Offer**).

The Entitlement Offer is on the basis of 1 New Share for every 2 existing shares held by eligible shareholders of the Company at an issue price of \$0.035 per New Share, for 411,796,609 New Shares being offered as set out in the prospectus dated 3 July 2020. The total number of New Shares applied for by shareholders is 113,692,949, leaving 298,103,660 New Shares as shortfall securities.

The Entitlement Offer is fully underwritten, and post the completion of the Entitlement Offer and associated shortfall take-up, the Company will raise approximately \$14.41 million (before costs).

The Entitlement Offer is fully underwritten by Mr Lee Bug Huy and Mr Lee Bug Tong who currently have a relevant interest of 17.99% in the Company (**Underwriters**). Post completion of the Entitlement Offer and associated underwriting, the Underwriters will have a relevant interest in the Company of 42.12%.

As previously disclosed, Donaco has been severely impacted by the COVID-19 pandemic and, in particular, the consequent closing of international borders which has significantly impacted the level of patronage at its casinos in Vietnam and Cambodia. The Company has been working with its key suppliers as well as its primary financier Mega International Commercial Bank Co, Ltd (**Mega Bank**) to mitigate the effects of the significant disruption. To this end (and as previously disclosed) Mega Bank has agreed to defer certain repayments under the Mega Bank debt facility from June 2020 to December 2020.

The proceeds of the Entitlement Offer will be used to meet the upcoming repayment requirements under the debt facility with Mega Bank, in addition to working capital purposes in relation to the two casinos. The funds raised will enable Donaco to continue to service its debt obligations as well as and provide financial stability to the Company.

Commenting on the Entitlement Offer, Chairman Mel Ashton stated: “On behalf of the Board I would like to thank shareholders for their support of the Entitlement Offer. We are pleased to advise that the funds raised through the offer will work to ensure that the business remains in a healthy position during the unprecedented COVID-19 pandemic. We look forward to using the funds to meet the upcoming repayment requirements on borrowings and stabilise the Company’s immediate financial needs.”

The Board thanks all shareholders who participated in the Entitlement Offer for their continued support.

[ENDS]

Authorised for release by the Board.

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