

ASX : DNA

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2 May 2022

Donaco’s Board has approved US\$5m loan facility for continued balance sheet protection

Donaco International Limited (“**Donaco**” or “**the Company**”) announces that its Board has approved a shareholder loan facility from Mr Lee Bug Huy, aka Techatut Sukcharoenkraisri, CEO and Executive Director of Donaco, for borrowings of US\$5 million (~AU\$7million).

Mr Huy has made an investment decision to offer financial assistance to the Company while casino operations remain limited. The Board considered alternative options, and the loan was judged as the best source of funding, providing immediate financial stability to the Company.

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 affected the level of patronage at its casinos in Vietnam and Cambodia.

The Company was expecting DNA Star Vegas to reopen by now, but no indication has been formally received from Cambodian Government authorities as to when this will occur. This follows the Cambodia Government's announcement mandating the temporary closure of all casinos from 1 April 2020.

The funds made available under the facility will allow for continued balance sheet protection to guarantee the business remains in a sustainable position until wider conditions improve.

The previous loan received in July 2021 from Mr Huy of up to US\$7.8 million (A\$10.9 million as at 30 Apr 2022 spot rate; fully utilized in March 2022) allowed for the full repayment of the debt facility with principal lender Mega International Commercial Bank Co Ltd, known as Mega Bank, which was repaid within the specified timeframe. The debt repayment has helped preserve shareholder value.

Donaco’s Non-Executive Chairman, Mr Paul Porntat, said the funding aligns with Donaco’s objectives of protecting the balance sheet and ensuring the business remains in a sustainable and healthy position until broader conditions stabilise.

“We are optimistic about Donaco’s long term future. We are almost at the end of this bumpy journey, and I’d like to sincerely thank our shareholders for your patience”, Mr Porntat added.

Facility Terms

The new shareholder loan facility of US\$5 million is an unsecured loan facility without specific repayment schedule and Donaco shall repay when fund is available from business operations. Final repayment date is 48months after the first drawdown and the final repayment date can be extended by another 8 months upon request. Interest rate is 6.00% per annum.

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Authorised for release by the Board.

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