

12 June 2018

Update on Legal Proceedings

Donaco International Limited (“Donaco” or “the Company”) provides the following updates on its legal dispute with the vendors of the Star Vegas casino business in Cambodia.

Injunction Granted to Prevent Threatened Termination of Lease

The Star Vegas business occupies a long term (50 year) lease, on land which is owned by the lessor, Lee Hoe Property Co., Ltd. This is a Cambodian company which is jointly owned by the vendors of the Star Vegas business:

1. Lee Bug Leng (Cambodian passport name), who also has a Thai passport under the name of Somboon Sukcharoenkraisri;
2. Lee Bug Huy (Cambodian passport name), who also has a Thai passport under the name of Techatut Sukcharoenkraisri (known as “Ham”); and
3. Lee Bug Tong (Cambodian passport name), who also has a Thai passport under the name of Bhuvassith Chairunroj (known as “Qoo”).

Recently the lessor has threatened to terminate the lease, on contrived and spurious grounds. Accordingly, Donaco has now obtained an injunction in its favour from the Banteay Meanchey Court of First Instance, to prevent the threatened termination.

This complements the previous injunction granted in Donaco’s favour, to prevent the vendors from engaging in illegal competition in the Poipet area, in breach of the sale agreements for the Star Vegas. The vendors have indicated that they intend to appeal against that previous injunction, but the appeal process has not commenced yet.

Increase in Damages Claim Against Vendors

Donaco also continues to prosecute its damages claim against the vendors, via arbitration proceedings in Singapore. In those proceedings, Donaco has received expert legal and financial advice. Having considered that advice, Donaco has now increased the size of its damages claim from USD120 million to USD190 million.

The arbitration proceedings are confidential and not publicly reported, but Donaco will keep the market informed of all developments that are material to investors.



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
