

ASX : DNA

asx release

16 October 2017



On-Market Buyback and Appendix 3C

Donaco International Limited (the Company) is pleased to announce the implementation of an on-market buy-back for a maximum of up to 41.5 million shares, representing a maximum of 5% of its ordinary shares on issue.

The buy-back is being undertaken as part of the Company's ongoing capital management program, and is expected to commence on or after 30 October 2017.

Managing Director and Chief Executive Officer, Mr Joey Lim, stated "The Board considers that the introduction of an on-market buy-back is in the best interests of all shareholders, complementing our dividend payment.

"Our primary focus in assessing all potential uses of the Company's cash holdings is to ensure a strong return for shareholders. Buying the Company's shares at recent prices represents an excellent opportunity to generate strong returns.

"At current share prices, the buy-back will be earnings per share accretive, and will have no impact on current operating businesses. It is also consistent with our strategy of maintaining an efficient capital structure."

In accordance with the ASX Listing Rules, the prices paid for shares purchased under the buy-back will be no more than 5% above the average closing price of the Company's shares over the five prior trading days.

The total number of shares to be purchased by the Company under the buy-back will depend on market conditions and volumes. The buy-back will be open for 12 months.

As previously announced to the ASX on 29 August 2017, there are also restrictions in place under the Company's debt facility with Mega Bank. Currently, dividends and buy-backs combined cannot exceed 30% of the Company's net profit after tax for FY17. The audited net profit after tax figure for FY17 was \$30,990,298. The current dividend payment is for a total amount of \$4,156,057. Accordingly, the maximum dollar amount that can be spent on the buyback at the present time is \$5,141,032.

An Appendix 3C for the buy-back is attached.

For further information:

Ben Reichel
Executive Director
(m) +61 412 060 281

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

Appendix 3C

Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ABN/ARSN
Donaco International Limited	28 007 424 777

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On-market
2	⁺ Class of shares/units which is the subject of the buy-back (eg, ordinary/preference)	Ordinary shares (DNA)
3	Voting rights (eg, one for one)	One for one
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	Fully paid
5	Number of shares/units in the ⁺ class on issue	831,211,424
6	Whether shareholder/unitholder approval is required for buy-back	No
7	Reason for buy-back	Ongoing capital management

Appendix 3C Announcement of buy-back

- 8 Any other information material to a shareholder's/unitholder's decision whether to accept the offer (eg, details of any proposed takeover bid)

On-market buy-back

- 9 Name of broker who will act on the company's behalf

Canaccord Genuity (Australia) Limited

- 10 Deleted 30/9/2001.

- 11 If the company/trust intends to buy back a maximum number of shares - that number

Up to 41,560,571 shares, representing a maximum of 5% of the Company's ordinary shares

Note: This requires a figure to be included, not a percentage.

- 12 If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention

12 months from 30 October 2017

- 13 If the company/trust intends to buy back shares/units if conditions are met - those conditions

N/A

Employee share scheme buy-back

- 14 Number of shares proposed to be bought back

- 15 Price to be offered for shares

⁺ See chapter 19 for defined terms.

Selective buy-back

16 Name of person or description of class of person whose shares are proposed to be bought back

17 Number of shares proposed to be bought back

18 Price to be offered for shares

Equal access scheme

19 Percentage of shares proposed to be bought back

20 Total number of shares proposed to be bought back if all offers are accepted

21 Price to be offered for shares

22 ⁺Record date for participation in offer
Cross reference: Appendix 7A, clause 9.

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

or, for trusts only:

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.

2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here: 
.....
(Director/Company secretary)

Date: 16 October 2017
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Print name: Benedict Reichel
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⁺ See chapter 19 for defined terms.