



ASX: DNA

ASX RELEASE

20 November 2013

Lodgment of Prospectus

Donaco International Limited (the **Company**) announces that it is currently completing a private placement to institutional and sophisticated investors in Australia and overseas. The capital raising process has been well supported, and the results will be announced shortly.

The Company is also lodging the attached prospectus for a separate issue of 20,000 shares. The purpose of the prospectus is to qualify the shares issued under the placement for secondary trading, pursuant to section 708A(11) of the Corporations Act.

For further information:

Ben Reichel
Executive Director
Phone: + 61 412 060 281

ABOUT DONACO INTERNATIONAL LIMITED (ASX: DNA)

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

Our flagship business is the Lao Cai International Hotel, a successful boutique casino in northern Vietnam. The Lao Cai International Hotel was established in 2002, and is located on the border with Yunnan Province, China. Donaco operates the business and owns a 75% interest, in a joint venture with the Government of Vietnam.

The Lao Cai International Hotel is a pioneer casino operator in Vietnam. The property is currently being expanded from a 3-star 34 room hotel, to a brand new 5-star resort complex with 428 hotel rooms.

Donaco also owns and operates successful gaming technology businesses, including secure mobile payment gateways across South East Asia, and the Way2Bet wagering portal, whose customers include all major corporate bookmakers in Australia.

To learn more about Donaco visit www.donacointernational.com





Donaco International Limited

ACN 007 424 777

Prospectus

offer of up to 20,000 fully paid ordinary shares at an
issue price of \$0.86 per share

Important Information

This Prospectus contains important information and requires your immediate attention.

It should be read in its entirety. If you have any questions as to its contents or the course you should follow, please consult your stockbroker, accountant, solicitor or other professional adviser immediately.

Important Information

This Prospectus is dated 20 November 2013 and was lodged with ASIC on that date. None of ASIC, the ASX and their respective officers take responsibility for the contents of this Prospectus.

Donaco International Limited (**Company**) will apply for admission of the Shares to be quoted on ASX within 7 days after the date of this Prospectus. The fact that ASX may grant official quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares.

Important document

This Prospectus is important and requires your immediate attention. It should be read in its entirety. You may wish to consult your professional adviser about its contents.

The content of this Prospectus has been determined on the basis that the Company is a disclosing entity for the purposes of the Act and that ASX maintains a database of publicly disclosed information about the Company and certain matters may reasonably be expected to be known to potential investors and their professional advisers.

No Exposure Period

No exposure period applies to the Offer.

Professional advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in its entirety. In particular, you should consider the risk factors that could affect the performance of the Company, some of which are outlined in Section 2. Potential investors who are issued Shares should carefully consider these factors in light of their personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to invest in the Shares. If you have any questions you should seek professional advice from your legal, investment or other professional adviser.

Foreign jurisdictions

No action has been taken to register this Prospectus or qualify the Shares or to otherwise permit an offering of the Shares outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Offer does not constitute an offer or invitation in any place outside Australia where, or to any person to whom, it would be unlawful to make such an offer or invitation.

United States

This document may not be released or distributed in the United States of America. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any

securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

No Guarantee

Neither the Company nor any other party makes any representation or gives any guarantee or assurance:

- (a) as to the performance or success of the Company;
- (b) as to the rate of income or capital growth from the Company; or
- (c) that there will be no capital loss or particular taxation consequence of investing in the Company.

An investment in the Company is not a deposit or any other type of liability. An investment in the Company is subject to investment risk. These risks are discussed in Section 2.

Investors should note that the past share price performance of the Company provides no guidance as to its future share price performance.

No representations other than in this Prospectus

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company.

Electronic Prospectus

An electronic version of this Prospectus (**Electronic Prospectus**) can be downloaded from the following website <http://www.donacointernational.com>. The Offer or invitation to which the Electronic Prospectus relates is only available to persons receiving the Electronic Prospectus in Australia.

The Company will send to a person a copy of the paper Prospectus and paper Application Form free of charge if the person asks during the application period.

If you download the Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by accompanied by a copy of the electronic Application Form. The Shares to which the Electronic Prospectus relates will only be issued on receipt of a printed copy of the applicable Application Form.

Glossary of Terms

Defined terms and abbreviations included in the text of this Prospectus are set out in the Glossary in Section 5. A glossary of key investment terms used in this Prospectus is set out in Section 5.

References to dollars or \$ are references to the lawful currency of Australia. Any discrepancies between the totals and the sum of all the individual components in the tables contained in this Prospectus are due to rounding.

Summary of important Dates

Prospectus	20 November 2013
Offer to open	21 November 2013
Offer expected to close	18 December 2013
Date of allotment	19 December 2013
Expected date of dispatch of holding statements	20 December 2013
Normal trading of Shares commences	27 December 2013

The above dates and times are indicative only. All times and dates are a reference to Sydney time. The Company reserves the right to vary any of the above dates and times, including closing the Offer early or extending it subject to the Act, Listing Rules and other applicable laws.

Key Offer Statistics

Maximum proceeds from the Offer	\$17,200
Issue price	\$0.86
Maximum number of Shares to be issued	20,000

Enquiries

For any enquiries concerning the Offer, please contact Ben Reichel on +61 2 9017 7000.

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Corporate Directory

Directors

Stuart James McGregor (Chairman)
Benedict Paul Reichel
Benjamin Lim Keong Hoe
Joey Lim Keong Yew
Mak Siew Wei
Robert Andrew Hines

Solicitor to the Offer

Watson Mangioni Lawyers Pty Limited
Level 13
50 Carrington Street
Sydney NSW 2000
Ph: (02) 9262 6666
Fax: (02) 9262 2626

Registered Office

Suite 202, 55 Miller Street
Pyrmont NSW 2009
Ph:(02) 9017 7000
Fax: (02) 9017 7001

Share Registrar

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

Chairman's Letter



Dear Investor

I am pleased to present this Prospectus and invite you to subscribe for new shares in Donaco International Limited (ASX:DNA).

The Offer

The Company is offering for subscription up to 20,000 Shares at an issue price of \$0.86 (**Offer**). The Offer is open to new investors and existing Shareholders. The Offer will open on 21 November 2013 and is expected to close on 18 December 2013. See Section 1 for details.

It is important that you read this Prospectus in its entirety. In particular, you should consider the risk factors that could affect the performance of the Company, some of which are outlined in Section 2.

The Placement

On the date of this Prospectus, the Company announced that it was undertaking a placement of Shares to professional and sophisticated investors to raise approximately \$25,000,000 (**Placement**). The Company will use the funds raised to ensure it has sufficient working capital to support the planned expansion of the Vietnamese business. Further details were disclosed to the market in an announcement released by the Issuer on 14 November 2013.

The Shares to be under the Placement will be issued without disclosure to investors in accordance with the Corporations Act. The Company has lodged this Prospectus so that the Shares, including the Shares to be issued under the Placement, can be freely traded by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.

About the Company

Donaco International Limited operates leisure, entertainment and associated technology businesses across the Asia Pacific region. Our flagship business is the Lao Cai International Hotel, a successful boutique casino in northern Vietnam. The Lao Cai International Hotel was established in 2002, and is located on the border with Yunnan Province, China. Donaco operates the business and owns a 75% interest, in a joint venture with the Government of Vietnam.

The property is currently being expanded from a 34 room hotel, to a brand new resort complex with 428 hotel rooms. It will also have an expanded gaming business.

As a result of discussions with the Vietnamese authorities, the Company expects that the new hotel and casino will be approved to operate up to 50 gaming tables, with a minimum of 26 gaming tables. Based on these discussions, and management's knowledge of the business and the relationship with the authorities, management is currently planning to open the new casino with 40 gaming tables.

On 18 November 2013 the Company released September quarter management results for the Lao Cai International Hotel, which were in line with the strong March and June quarters.

The Board looks forward to welcoming you as a new shareholder, and thanks existing shareholders for their ongoing interest and support of the Company.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'S. J. McGregor'.

Stuart McGregor
Chairman

Key Offer Terms

Question	Details	Cross Reference
Who is the issuer of the Shares and this Prospectus?	Donaco International Limited (ACN 007 424 777).	
What is the Offer?	Under the Offer the Company will issue up to 20,000 Shares each with an issue price of \$0.86 per Share to raise \$17,200 (before the costs of the Offer). It is expected that funds will not be sufficient to cover the costs of the Offer.	Sections 1.1, 1.8 and 3
What is the purpose of the Prospectus?	On 20 November 2013, the Company announced that it would undertake a placement of Shares to sophisticated and professional investors to raise approximately \$25,000,000 (Placement). The Placement will be undertaken without disclosure in accordance with the Corporations Act. The Company has lodged this Prospectus so that Shares, including Shares issued under the Placement, can be freely traded by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.	Section 1
What are the key investment risks associated with the Company?	<p>A summary of the key risks that Shareholders are exposed to are highlighted below. Potential investors should read these risks together with the other risks described in Section 2 before applying for Shares under this Prospectus.</p> <ul style="list-style-type: none"> ➤ Single casino risk – the Company is highly dependent upon the Lao Cai International Hotel for its cash flow. As a result, the Company will be subject to greater risks than a gaming company with more operating properties. ➤ Human Resources risk – The Company's business depends substantially on the continuing efforts of senior management employed by the Company, Donaco Singapore and the JV Company. The Company's business may be severely disrupted if their services are lost. The success of the Company will depend on its ability to attract and retain adequate qualified personnel. ➤ Government and Regulation risk – Conducting business in Vietnam and/or Lao Cai Province has certain political and economic risks that may lead to significant volatility and have a material adverse effect on results of operations. ➤ Casino winnings risk – The winnings of the Lao Cai International Hotel patrons could exceed the casino winnings at particular times during our operations. Win rates for the Lao Cai International Hotel operations depend on a variety of factors, some beyond the control of the Company. In addition, we note that all gaming business can be subject to cheating and counterfeiting. ➤ Currency risk – Gaming operations in Lao Cai Province could be adversely affected by restrictions on the export of the Renminbi as well as normal exchange rate fluctuations. ➤ Market Risk – Investment returns are influenced by market factors. As a result, future earnings of the Company and the earnings and capital appreciation of the Company's investments cannot be predicted with any certainty. ➤ Industry Risk – There are a number of industry risk factors that may affect the future operation or performance of the Company. These factors are outside the control of the Company. Such factors include increased regulatory and compliance costs and variations in legislation and government policies generally. ➤ Regulatory Risk – The Company is exposed to the risk of changes to applicable laws or their interpretation which may have a negative effect on the Company, its investments or returns to Shareholders or the risk of non-compliance with reporting or other legal obligations. 	Section 2
How can further information be obtained?	For any enquiries concerning the Offer, please contact Ben Reichel on +61 2 9017 7000.	

1. Term of Offer

1.1. Overview of the Offer

The Offer is an offer of 20,000 Shares each at an issue price of \$0.86 per Share.

The Offer will open at 9.00 am (Sydney time) on 21 November 2013 and is expected to remain open until 5.00 pm on 18 December 2013 (**Closing Date**).

Shares issued under the Offer are expected to be issued and have commenced trading on the ASX by 27 December 2013.

These dates are indicative only. The Directors reserve the right to vary any of the above dates and times, including closing the Offer early or extending it subject to the Act, Listing Rules and other applicable laws.

1.2. How much will be raised?

If 20,000 Shares are issued under this Prospectus, the Offer will raise \$17,200, before the costs of the Offer. See Section 3 for further details.

1.3. Purpose of the Offer and Use of Proceeds

The purpose of the Offer is to ensure that the on-sale of Shares to be issued under the Placement is not prohibited under Section 707(3) of the Corporations Act and can be freely traded in reliance on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.

The net proceeds of the Offer will be applied by the Company to partially fund the cost of the Offer. It is currently expected that funds will not be sufficient to cover the costs of the Offer. The costs that are not met by the gross proceeds of the Offer will be met out of the Company's cash reserves. See Section 3 for further details.

1.4. Rights attaching to Shares

All Shares issued under this Prospectus will have an issue price of \$0.86 per Share and will rank equally with each other, and with the existing issued Shares, from their date of issue. See Section 4.2 for the rights attaching to the Shares.

1.5. Minimum subscription

Applications under the Offer must be for a minimum of \$5,000 (for 5,814 Shares) and in multiples of 500 Shares thereafter.

1.6. No aggregate minimum subscription

While the minimum subscription amount payable by an Applicant under the Offer is \$5,000, there is no aggregate minimum subscription required for the Offer to proceed.

1.7. Offer Underwritten

The Offer is not underwritten.

1.8. ASX quotation of the Shares

Within 7 days after the date of this Prospectus, an application will be made to ASX for the Shares to be quoted on ASX.

The fact that ASX may give permission for quotation of the Shares is not to be taken as an indication of the merits of the Company or the Securities. The ASX, its officers and employees take no responsibility for the contents of this Prospectus and the reports which it contains.

If ASX does not give permission for quotation of the Shares within 3 months after the date of this Prospectus (or a later date permitted by ASIC), all Application Monies received pursuant to the Prospectus will be refunded in full without interest to Applicants, within the time prescribed by the Corporations Act.

1.9. Offer and allotment of Shares

It is currently expected that the Shares will be issued on 19 December 2013. Application Monies will be held in a separate account until allotment.

The Application constitutes an offer by the Applicant to subscribe for Shares on the terms and subject to the conditions set out in this Prospectus.

A binding contract to issue Shares will only be formed at the time Shares are allotted to Applicants.

Where the number of Shares allotted is less than the number applied for or where no allotment is made, the surplus Application Monies will be returned by cheque within the time prescribed by the Corporations Act. Interest will not be paid on the refunded Application Monies.

Following allotment, holding statements will be despatched. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell their Shares before they receive their holding statements will do so at their own risk.

No Shares will be issued on the basis of this Prospectus later than the expiry date of this Prospectus being the date 13 months after the date of this Prospectus.

1.10. How to participate

To subscribe for Shares, complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Company's discretion, in accordance with the instruction set out on the Application Form.

Applications under the Offer must be for a minimum of \$5,000 (for 5,814 Shares) and in multiples of 500 Shares thereafter.

Completed Application Forms and Application Monies must be received by the Company prior to 5.00 pm (Sydney time) on the Closing Date. Applications and Application Monies for Shares under the Offer received after 5:00 p.m. (Sydney time) on the Closing Date will not be accepted and will be returned to potential investors.

The Directors may extend the Closing Date. The Directors may close the Offer at any time prior to the Closing Date without prior notice or extend the period of the Offer in accordance with the Corporations Act.

Cheques must be made payable to "**Donaco International - Offer Account**" and crossed "Not Negotiable". No brokerage or stamp duty is payable by Applicants.

All cheques must be in Australian currency. Completed Application Forms, together with Application Monies, should be forwarded to the following address:

POSTAL

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

HAND DELIVERED

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

All Application Monies received before the Shares are issued will be held by the Company on trust for Applicants. Any interest that accrues will be retained by the Company.

The Company reserves the right to reject any Application, or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest).

1.11. Treatment of Overseas Investors

The Offer is made only to potential investors with a registered address in Australia.

This Prospectus does not constitute an offer of Securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or to make the Offer. Where the Prospectus has been despatched to persons domiciled in a country other than Australia, and where that country's securities code or legislation prohibits or restricts in any way the making of the Offer, the Prospectus is provided for information purposes only.

1.12. Taxation

The potential tax effects relating to the Offer will vary between Shareholders. Shareholders are urged to consider the possible tax consequences of the Shares by consulting a professional tax adviser.

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of being issued Shares under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of all Shareholders.

The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in respect of the Offer. Shareholders should consult their own professional tax adviser in connection with the taxation implications of the Offer.

1.13. Investor Considerations

Before deciding to invest in the Shares, you should consider whether the Shares to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser immediately.

1.14. Private Information

We collect personal information from you in order to administer your investment. If you think that our records are wrong or out of date – particularly your address and email address – please contact us and we will correct this information immediately. You can always access the personal information that we hold about you.

1.15. Anti-Money Laundering / Counter-Terrorism Financing Act 2006

The Company or third party who is carrying out functions on behalf of the Company may be required under the *Anti-Money Laundering / Counter-Terrorism Financing Act 2006* (Cth) or any other law to obtain identification information from Applicants. The Company reserves the right to reject any Application from an Applicant who fails to provide identification information upon request.

2. Risk Factors

2.1. Risk Factors

The value of securities listed on securities exchanges can change considerably over time and the value of your investment can increase or decrease. The fluctuation in value is known as volatility and the level of volatility depends on the type of investment. Generally, in order of risk of asset classes, shares are the riskiest, then fixed interest, then cash. As with most investments, performance is not guaranteed. These risks may result in loss of income and principal invested.

You can do some things to reduce the impact of risk. Get professional advice suited to your investment objectives, financial situation and particular needs. Nothing in this Prospectus can replace or offer that.

The Company does not guarantee any rate of return in terms of income or capital or investment performance of the Company.

It is not possible to identify every risk associated with investing in the Company, however, the following provides a list of significant risks associated with the Company. There may be other risks associated with the Company.

2.2. Business Risk Factors

The Company's business could be materially and adversely affected by a number of risks, including:

- **Single casino risk** – The Company is largely dependent upon a single property, being the Lao Cai International Hotel for its cash flow. As a result the Company is subject to greater risks than a gaming company with more operating properties.
- **Human Resources risk** – The Company's business depends substantially on the continuing efforts of its senior management and may be severely disrupted if their services are lost. The success of the Company will depend on its ability to attract and retain adequate qualified personnel.
- **Government and Regulation risk** – Conducting business in Vietnam and/or Lao Cai Province has certain political and economic risks that may lead to significant volatility and have a material adverse effect on results of operations. Business risks of this kind include:
 - Gaming is a highly regulated industry in Vietnam and/or the Lao Cai Province and adverse changes or developments in gaming laws or regulations could be difficult to comply with, or significantly increase costs, which could impact the Company's success.
 - There is a risk of the Chinese border being closed or border passes (which currently facilitate Chinese tourism) being cancelled, as a result of a change in political leadership in either China or Vietnam.
 - The Vietnamese and/or Lao Cai local Government could grant additional rights to conduct gaming in the future, which could significantly increase competition in the Lao Cai Province which could decrease patronage to the Lao Cai International Hotel.
 - There is a limited labour supply in the Lao Cai Province. An increase in competition could cause labour costs to increase.
- **Casino winnings risk** – The winnings of the Lao Cai International Hotel patrons could exceed the casino winnings at particular times during our operations. Win rates for the Lao Cai International Hotel operations depend on a variety of factors, some beyond the control of the Company. In addition, all gaming business can be subject to cheating and counterfeiting.
- **Currency risk** – Gaming operations in Lao Cai Province could be adversely affected by restrictions on the export of the Renminbi as well as normal exchange rate fluctuations.

- **Constructions Risks** – The development of the new 5 star hotel and entertainment facilities at Lao Cai, Vietnam is subject to significant development and construction risks. Such risks could have a material adverse impact on construction and opening timetables, costs and the ability to complete the new hotel. Substantial cost increases or construction delays could prevent or delay the opening of this new hotel.
- **Competition** – The Lao Cai International Hotel faces competition from other casinos in Vietnam and elsewhere in Asia. It is possible that in the future the Lao Cai International Hotel may not be able to compete successfully and may lose or be unable to gain market share.
- **Money laundering risk** – Money laundering is a risk that is faced by the casino industry generally. Whilst strict procedures and controls can be put in place to address such risk, it is possible that third parties may attempt to launder money and that the Company is not able to detect or prevent such activities. In the event that such money laundering activities do take place the Company's reputation may be affected and the Company may be subject to penalties and sanctions, including the withdrawal of its gaming licences.

2.3. Risks Associated with holding Shares

Shareholders will continue to be exposed to certain risks through holding shares. These include the following:

- **Investment risk** – There are several types of investment risk that may affect an investment in the Company, including a decline in the market price of the Shares (the initial capital value may decrease especially if you are investing for the short term), the amount received as income may vary over time or the value of an investment may not keep pace with inflation. This includes the possibility that the Company may not be able to achieve the medium to long term capital growth objectives.
- **Economic conditions** – The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the level of inflation, international share markets, interest rates and exchange rates, government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the Company's business or financial situation.
- **Government** – Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and investor returns, in particular in highly regulated industries such as gaming.

2.4. Investor Considerations

Before deciding to subscribe for Shares or exercise Bonus Options, Applicants should consider whether the Shares are a suitable investment.

There may be tax implications arising from the application for Shares, the receipt of dividends (both franked and unfranked) from the Company, and on the disposal of Shares. Applicants should carefully consider these tax implications and obtain their own advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

If you are in doubt as to whether you should subscribe for Shares you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser immediately.

3. Use of Proceeds and Effect of the Offer

3.1. Overview

If all of the Shares are issued, the effect on the Company would be as follows:

- the number of Shares on issue should increase by 20,000 Shares to approximately 371,751,146 Shares; and
- although the Company will receive approximately \$17,200, the net effect of the Offer will be to reduce the Company's cash reserves by approximately \$9,825 (being \$17,200 less the costs of the Offer).

The Offer will not result in any material increase in the funds of the Company as a maximum of \$17,200 will be raised.

As stated above the purpose of the Offer is not for fund raising but rather to ensure that the, on-sale of Shares, including Shares to be issued under the Placement, is not prohibited by Section 707(3) of the Corporations Act.

3.2. Use of the funds

The Offer will provide the Company with proceeds of up to approximately \$17,200. It is currently expected that funds will not be sufficient to cover the costs of the Offer. Please refer to Section 3.1 for an explanation of the Offer's purpose and Section 3.3 for further information regarding the effect of the Offer on the capital structure.

3.3. Effect of the Offer

The capital structure of the Company at completion of the Offer and assuming it is fully subscribed for is set out below:

	Shares	Options
On issue prior to the Placement	371,731,146	7,858,332 ¹
Issued under the Offer	20,000	0
Maximum number to be issued under the Placement	29,300,000	0
Total	401,051,146	7,858,332

Notes:

1. The number of Options is comprised of 7,045,832 listed options and 812,500 unlisted options.
2. Assumes approximately \$25,000,000 is raised and Shares are issued at \$0.86 per Share.
3. Assumes that no Options are exercised between the date of the Prospectus and the Closing Date.

3.4. Market price of Shares

The latest recorded price at which Shares traded on ASX on 19 November 2013 (being the last trading day before the date of this Prospectus) was \$0.955.

The highest and lowest prices at which Shares traded on ASX during the month prior to the Offer were \$1.09 and \$0.58 respectively. The volume-weighted average price at which Shares traded on ASX in this period was \$0.785.

3.5. Pro Forma Balance Sheet

The pro forma balance sheet set out below is based on the Company's audited accounts and represents the balance sheet of the Company as at 30 June 2013 adjusted for completion of the Placement and the Offer.

It is intended to be illustrative only and it neither reflects the actual position of the Company as at the date of this Prospectus nor at the conclusion of the Offer. In particular, it does not reflect actual expenditure of funds since 30 June 2013.

		Adjustment for Placement	Adjustment for issue under Prospectus	Pro Forma Balance Sheet (Placement and Prospectus)
Assets	2013			
Current Assets				
Cash and cash equivalents	29,404,205	25,198,000	17,200	54,619,405
Trade & other receivables	3,179,668			3,179,668
Inventories	225,210			225,210
Other current assets	12,463,304			12,463,304
Total Current Assets	45,272,387			70,487,587
Non-Current Assets				
Property, plant and equipment	1,552,965			1,552,965
Construction in progress	12,336,321			12,336,321
Intangible assets	9,796,836			9,796,836
Other non-current assets	215,455			215,455
Total Non-current Assets	23,901,577			23,901,577
Total Assets	69,173,964			94,389,164
Current Liabilities				
Trade and other payables	11,447,235	1,148,910	27,225	12,623,370
Current Tax liabilities	5,171,114			5,171,114
Provisions	457,146			457,146
Other current liabilities	63,043			63,043
Total Current Liabilities	17,138,538			18,314,673
Non-Current Liabilities				
Provisions	32,969			32,969
Total Non-Current Liabilities	32,969			32,969
Total Liabilities	17,171,507			18,347,642
Net Assets	52,002,457			76,041,522
Equity				
Contributed equity	34,692,937	24,049,090	(10,025)	58,732,002
Reserves	964,633			964,633
Retained earnings	12,745,584			12,745,584
Total equity attributable to equity h	48,403,154			72,442,219
Non-controlling Interests	3,599,303			3,599,303
Total Equity	52,002,457			76,041,522

*The cost of the placement is 4.5% (plus legal costs of \$38,000 across both issues, \$2,000 in other expenses and \$2,225 ASIC fee for the Prospectus)

Note: The table assumes that under the Placement the Issuer raises \$25,000,000 and Shares are issued at \$0.86 per Share.

3.6. Profit and Loss Statement

There will be no immediate effect on the Company's Statement of Comprehensive Income as a result of the issue of Shares pursuant to this Prospectus. The investment of any funds raised from the issue of the Shares will ultimately affect the Company's Statement of Comprehensive Income as a result of the performance of the Company's business. This is not a matter which is presently capable of being quantified by the Company.

4. Additional Information

4.1. Legal Proceedings

The Company is not and has not been, during the 12 months preceding the date of this Prospectus, involved in any legal or arbitration proceedings which have had or may have a significant effect on the financial position on the Company. As far as the Directors are aware, no such proceedings are threatened against the Company.

4.2. Rights Attaching to the Shares

The following information is a summary of the Constitution. Shareholders have the right to acquire a copy of the Constitution, free of charge, from the Company. Each Share confers on its holder:

- (a) the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- (b) the right to receive dividends, according to the amount paid up on the Share;
- (c) the right to receive, in kind, the whole or any part of the Company's property in a winding up, subject to priority given to holders of Shares that have not been classified by ASX as "restricted securities" and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution; and
- (d) Subject to the Act and the Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

4.3. Investor Considerations

Before deciding to participate in this Offer, you should consider whether the Shares to be issued are a suitable investment for you. Please refer to Section 2 Risks.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser immediately.

4.4. Tax

The potential tax effects relating to the Offer will vary between Shareholders. Shareholders are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser before investing.

4.5. Information regarding the Directors

The number of Shares in which Directors and their Associates have a relevant interest (as defined under the Corporations Act) is as follows:

Director	Ordinary Shares	Options
Stuart McGregor	126,816	63,408
Benedict Reichel	122,204	61,102
Benjamin Lim Keong Hoe	193,826,200	0
Joey Lim Keong Yew	226,266,355	0
Mak Siew Wei	0	0
Robert Andrew Hines	50,000	0

The Directors or their nominees will not participate in the Offer.

4.6. No Other Interests

Except as disclosed in this Prospectus, there are no interests that exist at the date of this Prospectus and there were no interests that existed within 2 years before the date of this Prospectus that are, or were, interests of a Director or a promoter of the Company in:

- the formation or promotion of the Company; or
- any property proposed to be acquired by the Company in connection with its formation or promotion or the Offer.

Further, there have been no amounts paid or agreed to be paid to a Director in cash or securities or otherwise by any persons either to induce the person to become or to qualify him as a Director or otherwise, for services rendered by the person in connection with the Offer, the promotion or formation of the Company.

4.7. Remuneration

Non-executive Directors' base fees are presently limited to a maximum of \$450,000 per annum between all non-executive Directors. The Company will seek Shareholder approval to increase the total amount of remuneration payable to the non-executive Directors to \$750,000 at its 2013 annual general meeting to be convened on 21 November 2013.

Additional remuneration may be paid in accordance with the Company's Constitution.

The Directors' remuneration paid for financial year ended 2013 is contained in the Company's annual report released to the market on 27 September 2013.

4.8. Interests of Experts

Other than as set out below, no expert or any firm in which such expert is a partner or employee has any interest in the promotion of or any property proposed to be acquired by the Company.

Watson Mangioni Lawyers Pty Limited have acted as solicitors to the Offer and have performed work in relation to preparing the due diligence program and performing due diligence enquiries on legal matters. In respect of this Prospectus, the Company estimates that it will pay amounts totalling approximately \$23,000 (excluding GST and disbursements) to Watson Mangioni Lawyers Pty Limited.

4.9. Expenses of the Offer

Expenses of the Offer are estimated to be approximately \$27,225 (excluding GST), consisting of the following:

Legal fees	\$23,000
ASIC lodgement fees	\$2,225
Other expenses	\$2,000
Total estimated expenses of the Offer	\$27,225

4.10. Disclosing entity and documents Available for Inspection

The Company is a disclosing entity for the purposes of Section 111AC(1) of the Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require the Company to:

- (a) prepare and lodge with ASIC both yearly and half-yearly financial statements accompanied by a directors' statement and report and an audit or review report;

- (b) immediately notify ASX of any information concerning the Company of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in the Company, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged at ASIC and/ASX in relation to the Company may be obtained from or inspected at an office of ASIC or downloaded at the ASX website.

4.11. Continuous Disclosure and Section 713

This Prospectus is issued pursuant to Section 713 of the Act. This enables listed disclosing entities to issue a prospectus with more limited disclosure than would be required of a full-form prospectus where the Company has been a listed disclosing entity for a period of at least 12 months.

The Company will provide a copy of any of the following documents free of charge to any person who requests a copy in relation to this Prospectus:

- (a) the annual financial report of the Company for the year ended 30 June 2013 being the most recently lodged with ASIC before the lodgement of this Prospectus;
- (b) any half-year financial report lodged with ASIC by the Company after the lodgement of the most recently lodged annual financial report and before the lodgement of the copy of the Prospectus with ASIC; and
- (c) any other document or financial statement lodged by the Company with ASIC or ASX under the continuous disclosure reporting requirements in the period between the lodgement of the 30 June 2013 annual financial report referred to above and the lodgement of the Prospectus being:

Date	Description of Announcement
19/11/2013	Trading Halt
18/11/2013	September Quarter Trading Update
14/11/2013	Update on New Casino
12/11/2013	No Impact from Typhoon Haiyan
06/11/2013	Initial Director's Interest Notice – Mr Rob Hines
25/10/2013	Sale of Shares
24/10/2013	Response to ASX Price Query
22/10/2013	Notice of Annual General Meeting
15/10/2013	Updated Investor Presentation
09/10/2013	Appendix 3B - Exercise of Options

4.12. Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on Section 713 of the Act in issuing the Shares under this Prospectus.

4.13. Other Information

The Directors consider that all information investors and their professional advisers would reasonably expect to find in a disclosure document that they reasonably require to make an informed assessment of the effect of Offer on the Company, rights and liabilities attaching to the Shares is set out in this Prospectus.

4.14. Consents and Responsibility Statements

Watson Mangioni Lawyers Pty Limited has given, and before lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as Solicitor to the Offer in the form and context in which it is named.

Boardroom Pty Limited has given, and before lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as share registrar of the Company in the form and context in which it is named.

William Buck Chartered Accountants has given, and before lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as auditor of the Company in the form and context in which it is named.

None of William Buck Chartered Accountants, Boardroom Pty Limited and Watson Mangioni Lawyers Pty Limited:

- (a) has authorised or caused the issue of the Prospectus;
- (b) has made, or purported to have made, any statement in this Prospectus, except this section; and
- (c) assumes responsibility for any part of this Prospectus except for statements in this section.

Each of these entities to the maximum extent permitted by the law, disclaim any responsibility or liability for any part of this Prospectus other than a statement included in this section.

4.15. Approval

This Prospectus has been approved by unanimous resolution of the Directors.

This Prospectus is signed for an on behalf of the Company by:



Stuart James McGregor
Chairman

Dated: 20 November 2013

5. Definitions and Interpretation

Capitalised terms not defined below have the meaning given to them in Prospectus.

Act means the Corporations Act 2001.

Applicant means a person who submits an Application.

Application means an application for Shares pursuant to this Prospectus.

Application Form means the application form in the form attached to this Prospectus.

ASX means the ASX Limited or the securities exchange operated by ASX Limited.

Board means the board of directors of the Company.

Company means Donaco International Limited (ACN 007 424 777).

Constitution means the constitution of the Company.

Directors means the directors of the Company.

Donaco Singapore means Donaco Singapore Pte Ltd, the entity through which the Company holds 75% of all of the ownership rights in the JV Company.

JV Company means Lao Cai International Hotel Joint Venture Company.

Offer means the issue of up to 20,000 Shares to potential investors under this Prospectus.

Lao Cai International Hotel is a hotel operated by the JV Company, located at 88 Thuy Hoa street, Duyen Hai ward, Lao Cai city, Lao Cai Province, that is a hotel, restaurant and gaming entertainment centre for foreigners.

Lao Cai Province means a province of Vietnam, located on the border with Yunnan Province in China, being the location of the Lao Cai International Hotel.

Listing Rules means the listing rules of ASX.

NTA means the Company's net tangible asset backing per Share.

Placement means the placement of Shares to sophisticated and professional investors announced by the Company on 20 November 2013.

Prospectus means this prospectus as modified or varied by any supplementary document issued by the Company and lodged with the ASIC from time to time.

Registry means Boardroom Pty Limited.

Share means a fully paid ordinary share in the Company.

Shareholder means the holder of a Share.

Security has the meaning given in Section 92 of the Act.