

**DONACO INTERNATIONAL LIMITED**  
**Appendix 4D**  
**Half-year financial report**

**1. Company details**

Name of entity: Donaco International Limited  
 ABN: 28 007 424 777  
 Reporting period: For the half-year ended 31 December 2017  
 Previous period: For the half-year ended 31 December 2016

**2. Results for announcement to the market**

|   |      |         |    |   |
|---|------|---------|----|---|
| Revenues from ordinary activities   | down | 25.7%   | to | \$<br>43,850,654                        |
| Loss for the half-year attributable to the owners of Donaco International Limited | down | 1003.8% | to | (133,796,935)                           |
|   |      |         |    | <b>31 December 2017</b><br><b>Cents</b> |
|   |      |         |    | <b>31 December 2016</b><br><b>Cents</b> |
| Basic (loss)/earnings per share   |      |         |    | (16.11) 1.78                            |
| Diluted (loss)/earnings per share   |      |         |    | (16.11) 1.78                            |

*Dividends*

The company paid a dividend on ordinary shares of 0.5 cents per share on 20 October 2017, to shareholders registered on 5 October 2017. The dividend is sourced 100% from conduit foreign income and unfranked.

*Comments*

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$133,796,935 (31 December 2016: profit of \$14,803,317). This includes an impairment loss of \$143,013,222. The profit before impairment loss is \$9,216,287.

**3. Net tangible assets**

|   | <b>Reporting period</b><br><b>Cents</b> | <b>Previous period</b><br><b>Cents</b> |
|---|---|--|
| Net tangible assets per ordinary security | <u>12.25</u>                            | <u>9.93</u>                            |

**4. Control gained over entities**

Name of entities (or group of entities) Donaco Investment (S) Pte Ltd  
 Date control gained 18 September 2017

|  |         |
|--|---------|
| Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)            | \$<br>- |
| Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material) | -       |

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**5. Loss of control over entities**

Name of entities (or group of entities) Not applicable

Date control lost

|   |           |
|---|-----------|
|   | <b>\$</b> |
| Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)                                 | -         |
| Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material) | -         |

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**6. Dividends**

*Current period*

The company paid a dividend on ordinary shares of 0.5 cents per share on 20 October 2017, to shareholders registered on 5 October 2017. The dividend is sourced 100% from conduit foreign income and unfranked.

*Previous period*

The company paid a dividend on ordinary shares of 1 cent per share on 19 October 2016, to shareholders registered on 4 October 2016. The dividend is sourced 100% from conduit foreign income and unfranked.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

| Name of associate / joint venture   | Reporting entity's percentage holding |                   | Contribution to profit/(loss) (where material) |                    |
|---|---------------------------------------|-------------------|--|--------------------|
|   | Reporting period %                    | Previous period % | Reporting period \$                            | Previous period \$ |
| Lao Cai International Hotel Joint Venture Company Limited   | 95.00%                                | 95.00%            | 3,510,555                                      | 4,061,550          |
| <i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i> |                                       |                   |  |                    |
| Profit/(loss) from ordinary activities before income tax  |                                       |                   | 3,510,555                                      | 4,061,550          |
| Income tax on operating activities  |                                       |                   | 349,836  | 570,407            |

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report*

Not applicable.

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

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**11. Attachments**

*Details of attachments (if any):*

The Half Year Report of Donaco International Limited for the half-year ended 31 December 2017 is attached.

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**12. Signed**

Signed  \_\_\_\_\_

Date: 28 February 2018

Mr Stuart McGregor  
Non-Executive Chairman  
Sydney

**DONACO INTERNATIONAL LIMITED**  
**ABN 28 007 424 777**

**Half Year Financial Report**  
**31 December 2017**

**DONACO INTERNATIONAL LIMITED**

**Contents**

**31 December 2017**

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**Contents page**

|   |    |
|---|----|
| Directors' report   | 6  |
| Auditor's independence declaration  | 7  |
| Statement of profit or loss and other comprehensive income                        | 8  |
| Statement of financial position   | 10 |
| Statement of changes in equity  | 11 |
| Statement of cash flows   | 12 |
| Notes to the financial statements   | 13 |
| Directors' declaration  | 21 |
| Independent auditors review report to the members of Donaco International Limited | 22 |
| Corporate directory   | 24 |

**General information**

The financial statements cover Donaco International Limited as a consolidated entity consisting of Donaco International Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Donaco International Limited's functional and presentation currency.

Donaco International Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 18  
420 George Street  
Sydney NSW 2000  
Australia

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2018. The directors have the power to amend and reissue the financial statements.

## **DONACO INTERNATIONAL LIMITED**

### **Directors' report**

**31 December 2017**

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Donaco International Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

#### **Directors**

The following persons were directors of Donaco International Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Stuart James McGregor - Non-Executive Chairman  
Joey Lim Keong Yew - Managing Director and CEO  
Benedict Paul Reichel - Executive Director  
Benjamin Lim Keong Hoe - Non-Executive Director  
Robert Andrew Hines - Non-Executive Director  
Ham Techatut Sukjaroenkraisri - Executive Director (resigned 23 November 2017)  
Paul Porntat Amatavivadhana - Non-Executive Director (resigned 3 July 2017)

#### **Principal activities**

During the financial half-year the principal activities of the consolidated entity consisted of the operation of leisure and hospitality businesses across the Asia Pacific region. This included:

- operation of a hotel and casino in Vietnam;
- operation of a hotel and casino in Cambodia; and
- acquisition and disposal of businesses.

#### **Review of operations**

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$133,796,935 (31 December 2016: profit of \$14,803,317). This includes an impairment loss of \$143,013,222. The profit before impairment loss is \$9,216,287.

Full details on the financial performance and activities of the consolidated entity are provided in the investor presentation released to the market on the same day as this report.

#### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Mr Stuart McGregor  
Non-Executive Chairman

28 February 2018

28 February 2018

The Board of Directors  
Donaco International Limited  
Level 18  
420 George Street  
Sydney NSW 2000

Dear Board Members

## Donaco International Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Donaco International Limited.

As lead audit partner for the review of the financial report of Donaco International Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



**CROWE HORWATH SYDNEY**



**SUWARTI ASMONO**

Partner

**DONACO INTERNATIONAL LIMITED**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2017**

|   | Note | Consolidated         |                     |
|---|------|----------------------|---------------------|
|   |      | 31 December 2017     | 31 December 2016    |
|   |      | \$                   | \$                  |
| Revenue from continuing operations  | 3    | 43,850,654           | 59,040,620          |
| Other income  | 4    | 1,049,949            | 835,992             |
| Total income  |      | <u>44,900,603</u>    | <u>59,876,612</u>   |
| <b>Expenses</b>   |      |                      |                     |
| Food and beverages  |      | (2,310,966)          | (3,020,311)         |
| Employee benefits expense   |      | (10,203,123)         | (10,939,071)        |
| Depreciation and amortisation expense   |      | (4,967,790)          | (5,068,330)         |
| Impairment of intangible asset  | 7    | (143,013,222)        | -                   |
| Legal and compliance  |      | (250,493)            | (395,354)           |
| Marketing and promotions  |      | (3,096,425)          | (2,234,028)         |
| Professional & consultants  |      | (822,840)            | (1,052,707)         |
| Property costs  |      | (3,122,665)          | (3,004,977)         |
| Telecommunications and hosting  |      | (262,043)            | (184,264)           |
| Gaming costs  |      | (780,999)            | (1,804,621)         |
| Other expenses  |      | (3,538,139)          | (3,038,469)         |
| Finance costs   |      | (4,638,714)          | (12,234,527)        |
| Total expenses  |      | <u>(177,007,419)</u> | <u>(42,976,659)</u> |
| <b>(Loss) / profit before income tax expense from continuing operations</b>                                 |      | (132,106,816)        | 16,899,953          |
| Income tax expense  |      | <u>(1,614,673)</u>   | <u>(1,923,699)</u>  |
| (Loss) / profit after income tax expense from continuing operations   |      | (133,721,489)        | 14,976,254          |
| <b>(Loss) / profit after income tax expense for the half-year</b>   |      | (133,721,489)        | 14,976,254          |
| <b>Other comprehensive income</b>   |      |                      |                     |
| <i>Items that may be reclassified subsequently to profit or loss</i>  |      |                      |                     |
| Foreign currency translation  |      | <u>(4,965,282)</u>   | <u>10,501,424</u>   |
| Other comprehensive (loss) / income for the half-year, net of tax   |      | <u>(4,965,282)</u>   | <u>10,501,424</u>   |
| <b>Total comprehensive (loss) / income for the half-year</b>  |      | <u>(138,686,771)</u> | <u>25,477,678</u>   |
| <i>(Loss) / profit for the half-year is attributable to:</i>  |      |                      |                     |
| Non-controlling interest  |      | 75,446               | 172,937             |
| Owners of Donaco International Limited  |      | <u>(133,796,935)</u> | <u>14,803,317</u>   |
|   |      | <u>(133,721,489)</u> | <u>14,976,254</u>   |
| <i>Total comprehensive (loss) / income from continuing operations for the half-year is attributable to:</i> |      |                      |                     |
| Non-controlling interest  |      | 75,446               | 172,937             |
| Owners of Donaco International Limited  |      | <u>(138,762,217)</u> | <u>25,304,741</u>   |
|   |      | <u>(138,686,771)</u> | <u>25,477,678</u>   |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**DONACO INTERNATIONAL LIMITED**  
**Statement of profit or loss and other comprehensive income (continued)**  
**For the half-year ended 31 December 2017**

|  | Note | Consolidated     |                  |
|--|------|------------------|------------------|
|  |      | 31 December 2017 | 31 December 2016 |
|  |      | \$<br>Cents      | \$<br>Cents      |
| <b>(Loss) / earnings per share for profit attributable to the owners of Donaco International Limited</b> |      |                  |                  |
| Basic (loss) / earnings per share  | 14   | (16.11)          | 1.78             |
| Diluted (loss) / earnings per share  | 14   | (16.11)          | 1.78             |
| <b>Dividend per share</b>  |      |                  |                  |
| Current year interim dividend declared   |      | 0.50             | 1.00             |

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**DONACO INTERNATIONAL LIMITED**  
**Statement of financial position**  
**As at 31 December 2017**

|   | Note | Consolidated       |                    |
|---|------|--------------------|--------------------|
|   |      | 31 December 2017   | 30 June 2017       |
|   |      | \$                 | \$                 |
| <b>Assets</b>   |      |                    |                    |
| <b>Current assets</b>   |      |                    |                    |
| Cash and cash equivalents   | 5    | 47,126,443         | 66,022,749         |
| Trade and other receivables                                       |      | 6,891,073          | 17,596,767         |
| Inventories   |      | 958,335            | 893,474            |
| Prepaid construction costs  |      | 569,628            | 341,184            |
| Other assets  |      | 4,399,838          | 3,238,891          |
| <b>Total current assets</b>                                       |      | <b>59,945,317</b>  | <b>88,093,065</b>  |
| <b>Non-current assets</b>   |      |                    |                    |
| Property, plant and equipment                                     | 6    | 157,477,243        | 161,344,373        |
| Intangibles (including licences)                                  | 7    | 240,953,648        | 389,140,234        |
| Construction in progress  |      | 564,285            | 595,885            |
| Other assets  |      | 6,654              | 3,895              |
| <b>Total non-current assets</b>                                   |      | <b>399,001,830</b> | <b>551,084,387</b> |
| <b>Total assets</b>   |      | <b>458,947,147</b> | <b>639,177,452</b> |
| <b>Liabilities</b>  |      |                    |                    |
| <b>Current liabilities</b>  |      |                    |                    |
| Trade and other payables  |      | 38,050,710         | 41,788,107         |
| Borrowings  | 8    | 22,324,861         | 54,908,598         |
| Financial liabilities   |      | 44,956             | 681,507            |
| Income tax  |      | 1,365,320          | 1,127,767          |
| Employee benefits   |      | 493,127            | 981,006            |
| <b>Total current liabilities</b>                                  |      | <b>62,278,974</b>  | <b>99,486,985</b>  |
| <b>Non-current liabilities</b>                                    |      |                    |                    |
| Borrowings  | 9    | 54,204,847         | 53,553,627         |
| Employee benefits   |      | 37,579             | 32,669             |
| <b>Total non-current liabilities</b>                              |      | <b>54,242,426</b>  | <b>53,586,296</b>  |
| <b>Total liabilities</b>  |      | <b>116,521,400</b> | <b>153,073,281</b> |
| <b>Net assets</b>   |      | <b>342,425,747</b> | <b>486,104,171</b> |
| <b>Equity</b>   |      |                    |                    |
| Issued capital  |      | 359,637,688        | 359,968,884        |
| Reserves  | 10   | 3,799,652          | 9,425,778          |
| (Accumulated losses) / retained profits                           |      | (22,536,140)       | 115,374,413        |
| Equity attributable to the owners of Donaco International Limited |      | 340,901,200        | 484,769,075        |
| Non-controlling interest  |      | 1,524,547          | 1,335,096          |
| <b>Total equity</b>   |      | <b>342,425,747</b> | <b>486,104,171</b> |

*The above statement of financial position should be read in conjunction with the accompanying notes.*

**DONACO INTERNATIONAL LIMITED**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2017**

| <b>Consolidated</b>  | <b>Issued capital</b><br><b>\$</b> | <b>Reserves</b><br><b>\$</b> | <b>Retained profits</b><br><b>\$</b> | <b>Non-controlling interest</b><br><b>\$</b> | <b>Total equity</b><br><b>\$</b> |
|--|------------------------------------|------------------------------|--------------------------------------|--|----------------------------------|
| Balance at 1 July 2016                                       | 360,968,368                        | 24,574,755                   | 92,630,958                           | 1,136,345                                    | 479,310,426                      |
| Profit after income tax benefit for the half-year            | -                                  | -                            | 14,803,317                           | 172,937                                      | 14,976,254                       |
| Other comprehensive income for the half-year, net of tax     | -                                  | 10,501,424                   | -                                    | -  | 10,501,424                       |
| Total comprehensive income for the half-year                 | -                                  | 10,501,424                   | 14,803,317                           | 172,937                                      | 25,477,678                       |
| <i>Transactions with owners in their capacity as owners:</i> |                                    |                              |                                      |  |                                  |
| Dividend paid  | -                                  | -                            | (8,246,843)                          | (66,260)                                     | (8,313,103)                      |
| Acquisition of shares for Employee Share Trust               | (1,019,484)                        | -                            | -                                    | -  | (1,019,484)                      |
| Share-based payments   | -                                  | 136,829                      | -                                    | -  | 136,829                          |
| Balance at 31 December 2016                                  | <u>359,948,884</u>                 | <u>35,213,008</u>            | <u>99,187,432</u>                    | <u>1,243,022</u>                             | <u>495,592,346</u>               |
| <b>Consolidated</b>  | <b>Issued capital</b><br><b>\$</b> | <b>Reserves</b><br><b>\$</b> | <b>Retained profits</b><br><b>\$</b> | <b>Non-controlling interest</b><br><b>\$</b> | <b>Total equity</b><br><b>\$</b> |
| Balance at 1 July 2017                                       | 359,968,884                        | 9,425,778                    | 115,374,413                          | 1,335,096                                    | 486,104,171                      |
| Loss after income tax benefit for the half-year              | -                                  | -                            | (133,796,935)                        | 75,446                                       | (133,721,489)                    |
| Other comprehensive loss for the half-year, net of tax       | -                                  | (4,965,282)                  | -                                    | -  | (4,965,282)                      |
| Total comprehensive loss for the half-year                   | -                                  | (4,965,282)                  | (133,796,935)                        | 75,446                                       | (138,686,771)                    |
| <i>Transactions with owners in their capacity as owners:</i> |                                    |                              |                                      |  |                                  |
| Contributions of equity, net of transaction costs            | -                                  | -                            | -                                    | 114,005                                      | 114,005                          |
| Shares allocated to employees                                | 766,014                            | (766,014)                    | -                                    | -  | -                                |
| Dividend paid  | -                                  | -                            | (4,113,618)                          | -  | (4,113,618)                      |
| Share buyback  | (1,097,210)                        | -                            | -                                    | -  | (1,097,210)                      |
| Share-based payments   | -                                  | 105,170                      | -                                    | -  | 105,170                          |
| Balance at 31 December 2017                                  | <u>359,637,688</u>                 | <u>3,799,652</u>             | <u>(22,536,140)</u>                  | <u>1,524,547</u>                             | <u>342,425,747</u>               |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**DONACO INTERNATIONAL LIMITED**  
**Statement of cash flows**  
**For the half-year ended 31 December 2017**

|   | Note | Consolidated        |                     |
|---|------|---------------------|---------------------|
|   |      | 31 December 2017    | 31 December 2016    |
|   |      | \$                  | \$                  |
| <b>Cash flow from operating activities</b>                      |      |                     |                     |
| Receipts from customers   |      | 52,744,546          | 77,579,385          |
| Payments to suppliers and employees                             |      | (25,996,527)        | (39,844,694)        |
|   |      | <u>26,748,019</u>   | <u>37,734,691</u>   |
| Interest received   |      | 46,119              | 63,755              |
| Interest and other finance costs paid                           |      | (4,827,420)         | (5,988,224)         |
| Government levies, gaming taxes and GST                         |      | (4,443,203)         | (6,396,171)         |
| <b>Net cash flows from operating activities</b>                 |      | <u>17,523,515</u>   | <u>25,414,051</u>   |
| <b>Cash flow from investing activities</b>                      |      |                     |                     |
| Payments for property, plant and equipment                      |      | (1,880,634)         | (3,452,041)         |
| <b>Net cash flows from investing activities</b>                 |      | <u>(1,880,634)</u>  | <u>(3,452,041)</u>  |
| <b>Cash flow from financing activities</b>                      |      |                     |                     |
| Payments for share buyback                                      |      | (1,097,210)         | -                   |
| Net borrowings (repayment of borrowings)                        |      | (28,680,761)        | (23,114,747)        |
| Payments of dividends   |      | (4,113,618)         | (8,246,843)         |
| Payments for acquisition of employee shares                     |      | -                   | (1,019,483)         |
| <b>Net cash flows from financing activities</b>                 |      | <u>(33,891,589)</u> | <u>(32,381,073)</u> |
| Net decrease in cash and cash equivalents                       |      | (18,248,708)        | (10,419,063)        |
| Cash and cash equivalents, beginning of the financial half-year |      | 66,022,749          | 78,221,019          |
| Effects of exchange rate changes on cash and cash equivalents   |      | (647,598)           | 1,093,233           |
| Cash and cash equivalents at the end of the financial half-year | 5    | <u>47,126,443</u>   | <u>68,895,189</u>   |

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

**Note 1. Significant accounting policies**

These interim financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Presentation of statement of cash flows**

The consolidated entity has changed its policy to present gaming receipts from customers and payments to junket operators on a net basis in the statement of cash flows. Previously, the receipts and payments were reported on a gross basis based on cash received and paid out. The restated presentation is considered more appropriate as it is consistent with the recognition of income and expenses on a net basis in the profit and loss statement. The comparative figures have been restated. A summary of the effect of the change in presentation is provided below.

|                                     | Restated<br>\$ | Previously<br>\$ | Variance<br>\$ |
|-------------------------------------|----------------|------------------|----------------|
| Receipts from customers             | 77,579,385     | 292,342,283      | (214,762,898)  |
| Payments to suppliers and employees | (39,844,694)   | (254,607,592)    | 214,762,898    |
|                                     | 37,734,691     | 37,734,691       | -              |

**Note 2. Operating segments**

*Identification of reportable operating segments*

The consolidated entity is organised into three operating segments: Casino Operations - Vietnam, Casino Operations - Cambodia and Corporate Operations. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The consolidated entity is domiciled in Australia and operates predominantly in five countries: Australia, Cambodia, Vietnam, Singapore and Malaysia. The Casino operations are segmented geographically between casino operations in Vietnam and Cambodia.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

*Types of products and services*

The principal products and services of each of these operating segments are as follows:

|                              |  |
|------------------------------|--|
| Casino Operations - Vietnam  | Comprises the Aristo International Hotel operating in Vietnam. These operations include hotel accommodation and gaming and leisure facilities.   |
| Casino Operations - Cambodia | Comprises the Star Vegas Resort and Club, operating in Cambodia. These operations include hotel accommodation and gaming and leisure facilities.   |
| Corporate Operations         | Comprises the development and implementation of corporate strategy, commercial negotiations, corporate finance, treasury, management accounting, corporate governance and investor relations |

*Intersegment transactions*

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Note 2. Operating segments (continued)

|   | Casino<br>Operations<br>Vietnam<br>\$ | Casino<br>Operations<br>Cambodia<br>\$ | Corporate<br>Operations<br>\$ | Total<br>\$          |
|---|---------------------------------------|--|-------------------------------|----------------------|
| <b>Consolidated - 31 December 2017</b>  |                                       |  |                               |                      |
| <b>Revenue</b>  |                                       |  |                               |                      |
| Sales to external customers   | 11,587,275                            | 32,217,511                             | -                             | 43,804,786           |
| Interest  | 28,053                                | -                                      | 17,815                        | 45,868               |
| <b>Total revenue</b>  | <b>11,615,328</b>                     | <b>32,217,511</b>                      | <b>17,815</b>                 | <b>43,850,654</b>    |
| <b>EBITDA</b>   |                                       |  |                               |                      |
| Depreciation and amortisation   | (2,370,522)                           | (2,491,416)                            | (105,852)                     | (4,967,790)          |
| Impairment of intangible asset  | -                                     | (143,013,222)                          | -                             | (143,013,222)        |
| Interest revenue  | 28,053                                | -                                      | 17,815                        | 45,868               |
| Non-recurring items   | -                                     | -                                      | 636,608                       | 636,608              |
| Net exchange gains  | 281,005                               | -                                      | 132,336                       | 413,341              |
| Non-controlling interest  | (166,353)                             | -                                      | 90,907                        | (75,446)             |
| Finance costs   | (619,854)                             | -                                      | (4,018,860)                   | (4,638,714)          |
| <b>Profit/(loss) before income tax expense</b>  | <b>3,510,555</b>                      | <b>(126,775,949)</b>                   | <b>(8,916,868)</b>            | <b>(132,182,262)</b> |
| Income tax expense  |                                       |  |                               | (1,614,673)          |
| <b>Profit after income tax expense attributable to the owners of Donaco International Limited</b> |                                       |  |                               | <b>(133,796,935)</b> |
| <b>Assets</b>   |                                       |  |                               |                      |
| Segment assets  | 84,547,171                            | 363,174,384                            | 11,225,592                    | 458,947,147          |
| <b>Total assets</b>   |                                       |  |                               | <b>458,947,147</b>   |
| <b>Liabilities</b>  |                                       |  |                               |                      |
| Segment liabilities   | 19,402,466                            | 27,215,437                             | 69,903,497                    | 116,521,400          |
| <b>Total liabilities</b>  |                                       |  |                               | <b>116,521,400</b>   |
| <b>Consolidated - 31 December 2016</b>  |                                       |  |                               |                      |
| <b>Revenue</b>  |                                       |  |                               |                      |
| Sales to external customers   | 13,665,777                            | 45,303,017                             | 8,038                         | 58,976,832           |
| Interest  | 17,237                                | -                                      | 46,551                        | 63,788               |
| <b>Total revenue</b>  | <b>13,683,014</b>                     | <b>45,303,017</b>                      | <b>54,589</b>                 | <b>59,040,620</b>    |
| <b>EBITDA</b>   |                                       |  |                               |                      |
| Depreciation and amortisation   | (2,617,343)                           | (2,342,323)                            | (108,664)                     | (5,068,330)          |
| Interest revenue  | 17,237                                | -                                      | 46,551                        | 63,788               |
| Non-recurring items   | -                                     | -                                      | 1,485,693                     | 1,485,693            |
| Net exchange (losses) / gains   | (712,886)                             | -                                      | 63,185                        | (649,701)            |
| Non-controlling interest  | (172,937)                             | -                                      | -                             | (172,937)            |
| Finance costs   | (854,589)                             | -                                      | (11,379,938)                  | (12,234,527)         |
| <b>Profit/(loss) before income tax benefit</b>  | <b>4,061,550</b>                      | <b>27,985,517</b>                      | <b>(15,320,051)</b>           | <b>16,727,016</b>    |
| Income tax expense  |                                       |  |                               | (1,923,699)          |
| <b>Profit after income tax expense to the owners of Donaco International Limited</b>              |                                       |  |                               | <b>14,803,317</b>    |
| <b>Assets</b>   |                                       |  |                               |                      |
| Segment assets  | 92,733,467                            | 531,241,248                            | 43,978,069                    | 667,952,784          |
| <b>Total assets</b>   |                                       |  |                               | <b>667,952,784</b>   |
| <b>Liabilities</b>  |                                       |  |                               |                      |
| Segment liabilities   | 26,231,279                            | 15,433,335                             | 130,695,824                   | 172,360,438          |
| <b>Total liabilities</b>  |                                       |  |                               | <b>172,360,438</b>   |

**DONACO INTERNATIONAL LIMITED**  
**Notes to the financial statements**  
**31 December 2017**

|                                    | Consolidated      |                   |
|------------------------------------|-------------------|-------------------|
|                                    | 31 December 2017  | 31 December 2016  |
|                                    | \$                | \$                |
| <b>Note 3. Revenue</b>             |                   |                   |
| Casino                             |                   |                   |
| - Gaming revenue                   | 35,694,626        | 51,249,283        |
| - Non-gaming revenue               | 8,110,161         | 7,719,511         |
| Corporate operations               | -                 | 8,038             |
| Interest                           | 45,867            | 63,788            |
| Revenue from continuing operations | <u>43,850,654</u> | <u>59,040,620</u> |

Gaming revenue represents net house takings arising from casino operations.

Non-gaming revenue represents hotel revenue from room rental, food and beverage sales and other related services recognised when the services are rendered.

|   | Consolidated     |                  |
|---|------------------|------------------|
|   | 31 December 2017 | 31 December 2016 |
|   | \$               | \$               |
| <b>Note 4. Other income</b>   |                  |                  |
| Net foreign exchange gain / (loss)  | 413,341          | (649,701)        |
| Gain on derivative financial instrument at fair value through the profit and loss | 636,608          | 1,485,693        |
|   | <u>1,049,949</u> | <u>835,992</u>   |

**Note 5. Current assets - cash and cash equivalents**

|                 |                   |                   |
|-----------------|-------------------|-------------------|
| Cash on hand    | 32,652,414        | 21,300,658        |
| Cash at bank    | 13,289,619        | 41,835,143        |
| Cash in transit | 604,535           | 1,203,118         |
| Cash on deposit | 579,875           | 1,683,830         |
|                 | <u>47,126,443</u> | <u>66,022,749</u> |

|   | <b>Consolidated</b>     |                     |
|---|-------------------------|---------------------|
|   | <b>31 December 2017</b> | <b>30 June 2017</b> |
|   | <b>\$</b>               | <b>\$</b>           |
| <b>Note 6. Non-current assets - property, plant and equipment</b> |                         |                     |
| Leasehold buildings and structures - at cost                      | 151,811,387             | 152,241,908         |
| Less: Accumulated depreciation                                    | <u>(15,036,028)</u>     | <u>(12,931,787)</u> |
|   | <u>136,775,359</u>      | <u>139,310,121</u>  |
| Furniture & fittings - at cost                                    | 4,727,513               | 4,597,726           |
| Less: Accumulated depreciation                                    | <u>(4,463,688)</u>      | <u>(4,160,572)</u>  |
|   | <u>263,825</u>          | <u>437,154</u>      |
| Machinery and equipment - at cost                                 | 38,259,690              | 34,696,929          |
| Less: Accumulated depreciation                                    | <u>(22,693,818)</u>     | <u>(18,513,168)</u> |
|   | <u>15,565,872</u>       | <u>16,183,761</u>   |
| Motor vehicles - at cost  | 2,191,161               | 1,869,091           |
| Less: Accumulated depreciation                                    | <u>(1,342,798)</u>      | <u>(1,312,898)</u>  |
|   | <u>848,363</u>          | <u>556,193</u>      |
| Office equipment and other- at cost                               | 4,866,414               | 4,702,496           |
| Less: Accumulated depreciation                                    | <u>(2,821,525)</u>      | <u>(2,584,380)</u>  |
|   | <u>2,044,889</u>        | <u>2,118,116</u>    |
| Consumables   | <u>1,978,935</u>        | <u>2,739,028</u>    |
|   | <u>1,978,935</u>        | <u>2,739,028</u>    |
|   | <u>157,477,243</u>      | <u>161,344,373</u>  |

**Note 7. Non-current assets - intangibles**

|                                |                      |                    |
|--------------------------------|----------------------|--------------------|
| Goodwill - at cost             | <u>2,426,187</u>     | <u>2,426,187</u>   |
| Land right - at cost           | 66,026               | 67,004             |
| Less: Accumulated amortisation | <u>(35,214)</u>      | <u>(34,651)</u>    |
|                                | <u>30,812</u>        | <u>32,353</u>      |
| Casino license - at cost       | 381,509,872          | 386,681,694        |
| Less: Impairment               | <u>(143,013,222)</u> | <u>-</u>           |
|                                | <u>238,496,650</u>   | <u>386,681,694</u> |
|                                | <u>240,953,648</u>   | <u>389,140,234</u> |

The casino licence relates to the licence to operate the DNA Star Vegas casino acquired on 1 July 2015. The licence is stated at cost less any impairment losses. This intangible asset is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of the cash-generating unit of DNA Star Vegas has been determined based on the fair value less costs of disposal. An independent valuation of the 100% equity interest in DNA Star Vegas Company Limited was undertaken as at 31 December 2017. Adjustments were made to determine the fair value less cost of disposal of the cash-generating unit which was reasonably determined to be \$330,204,466 (US\$257,550,000 converted at the spot rate).

The valuation was determined using budgeted gross margin based on past performance and its expectations for the future and are considered to be reasonably achievable. The valuation is classified as level 3 fair values in the fair value hierarchy as it was based on a 5-year cash flow forecast period. The weighted average growth rates used are consistent with forecasts included in industry reports. The valuation uses a growth rate of 11% in the first year, 3% in the following 4 years and a terminal growth rate of 3%. The discount rates used of 15.06% reflect specific risks relating to the relevant segments and the countries in which they operate. The valuation was determined using a foreign exchange rate between Thai Baht and US Dollar of 32.574 THB:1 USD. A capital expenditure percentage of 2.52% has also been included in the valuation. Furthermore, the valuation includes a Discount for Lack of Marketability ("DLOM") of 20.4%.

Based on the valuation, the Directors reassessed the position as at 31 December 2017 and determined an impairment loss of \$143,013,222 needed to be recognised as at 31 December 2017.

Apart from the impairment loss, the movement in the historical cost of the casino license is due to foreign exchange translation as the licence is denominated in foreign currency.

**Note 8. Current liabilities - borrowings**

|   | <b>Consolidated</b>     |                     |
|---|-------------------------|---------------------|
|   | <b>31 December 2017</b> | <b>30 June 2017</b> |
|   | <b>\$</b>               | <b>\$</b>           |
| Joint Stock Commercial Ocean Bank         | 2,748,724               | 2,791,979           |
| Mega International Commercial Bank Co Ltd | 19,576,137              | 52,116,619          |
|   | <u>22,324,861</u>       | <u>54,908,598</u>   |

Refer to note 9 for further information on assets pledged as security and financing arrangements.

|   | <b>Consolidated</b>     |                     |
|---|-------------------------|---------------------|
|   | <b>31 December 2017</b> | <b>30 June 2017</b> |
|   | <b>\$</b>               | <b>\$</b>           |
| <b>Note 9. Non-current liabilities - borrowings</b> |                         |                     |
| Joint Stock Commercial Ocean Bank                   | 5,497,447               | 6,979,949           |
| Mega International Commercial Bank Co Ltd           | 48,707,400              | 46,573,678          |
|   | <u>54,204,847</u>       | <u>53,553,627</u>   |

*Total secured liabilities*

The total secured liabilities (current and non-current) are as follows:

|   |                   |                    |
|---|-------------------|--------------------|
| Joint Stock Commercial Ocean Bank         | 8,246,171         | 9,771,928          |
| Mega International Commercial Bank Co Ltd | 68,283,537        | 98,690,297         |
|   | <u>76,529,708</u> | <u>108,462,225</u> |

The loan from Mega International Commercial Bank Co Ltd, which was initially drawn down on 1 July 2015, was refinanced under a new loan agreement dated 14 August 2017 for a total amount of USD57 million. The new loan was drawn down on 28 August 2017, the proceeds of which were used to settle the previous loan. Under the refinancing terms, the loan has been extended for a further 3 years with a final settlement date of 28 August 2020.

During the period ended 31 December 2017, the consolidated entity remained compliant with its loan covenant requirements.

*Assets pledged as security*

The loan from Mega International Commercial Bank Co Ltd is secured by the following:

- i. A parent company guarantee from the parent entity for the debt owed by Donaco Hong Kong Limited;
- ii. A pledge of the shares in Donaco Hong Kong Limited owned by the parent entity;
- iii. A pledge of the shares in DNA Star Vegas Co. Ltd owned by Donaco Hong Kong Limited;
- iv. A pledge of the debt service reserve account maintained by Donaco Hong Kong Limited;
- v. A security assignment of contractual rights held by the parent entity under the purchase agreement for DNA Star Vegas;
- vi. A security agreement over the assets of DNA Star Vegas; and
- vii. A hypothec agreement over the land and buildings of DNA Star Vegas.

*Mortgage to Joint Stock Commercial Ocean Bank*

A mortgage was registered by the Ocean Bank of Vietnam over the assets of the Aristo International Hotel on 11 July 2011. Total borrowings as per the statement of financial position as at 31 December 2017 under this arrangement were \$8,246,171 (30 June 17: \$9,771,928).

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn down at any time.

*Financing arrangements*

Unrestricted access was available at the reporting date to the following lines of credit:

|                              | <b>Consolidated</b>     |                     |
|------------------------------|-------------------------|---------------------|
|                              | <b>31 December 2017</b> | <b>30 June 2017</b> |
|                              | <b>\$</b>               | <b>\$</b>           |
| Total facilities             |                         |                     |
| Bank loans                   | <u>76,529,708</u>       | <u>108,462,225</u>  |
| Used at the reporting date   |                         |                     |
| Bank loans                   | <u>76,529,708</u>       | <u>108,462,225</u>  |
| Unused at the reporting date |                         |                     |
| Bank loans                   | <u>-</u>                | <u>-</u>            |

|                                   | Consolidated     |              |
|-----------------------------------|------------------|--------------|
|                                   | 31 December 2017 | 30 June 2017 |
|                                   | \$               | \$           |
| <b>Note 10. Equity - reserves</b> |                  |              |
| Revaluation surplus reserve       | 1,855,327        | 1,855,327    |
| Share-based payment reserve       | 2,634,552        | 3,295,396    |
| Foreign currency reserve          | (690,227)        | 4,275,055    |
|                                   | 3,799,652        | 9,425,778    |

*Movements in reserves*

Movements in each class of reserve during the current financial half-year are set out below:

| Consolidated                  | Revaluation surplus<br>reserve<br>\$ | Share-based<br>payment reserve<br>\$ | Foreign currency<br>reserve<br>\$ | Total<br>\$ |
|-------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-------------|
| Balance at 1 July 2017        | 1,855,327                            | 3,295,396                            | 4,275,055                         | 9,425,778   |
| Foreign currency translation  | -                                    | -                                    | (4,965,282)                       | (4,965,282) |
| Shares allocated to employees | -                                    | (766,014)                            | -                                 | (766,014)   |
| Employee share options        | -                                    | 105,170                              | -                                 | 105,170     |
| Balance at 31 December 2017   | 1,855,327                            | 2,634,552                            | (690,227)                         | 3,799,652   |

**Note 11. Contingent assets and liabilities**

During the period to 31 December 2017, the consolidated entity commenced proceedings against the vendor for breach of non-competition clauses under the agreements of the sale and purchase of Star Vegas. On 25 December 2017, a Cambodian court issued an interim injunction against the vendor to cease all illegal casino operations. No amount receivable has been recognised as at 31 December 2017 as the court proceedings are still ongoing and no damages have been determined.

As at 31 December 2017, the consolidated entity was also in the process of enforcing its legal rights via arbitration proceedings in Singapore. No amount receivable has been recognised as at 31 December 2017 as the proceedings had yet to be commenced. The consolidated entity has since commenced arbitration proceedings in Singapore and is claiming damages of USD120 million.

The consolidated entity has no contingent liabilities at 31 December 2017.

**Note 12. Fair value measurements and hierarchy**

On 7 July 2015 Donaco International Limited issued 70 warrants to subscribe for its ordinary shares. Warrants issued as part of financing arrangements, which may be net settled in cash or through the issue of shares of the parent entity are recognised as derivative financial liabilities measured at fair value through profit or loss. The fair value of the warrants is determined using the Black Scholes model.

The warrants are classified as level 2 in the fair value hierarchy, as the value is based on an adjustment to quoted market prices.

There were no transfers between the levels of the fair value hierarchy during either the current or previous reporting period. The directors consider that the carrying amount of all other financial assets and liabilities recorded in the financial statements approximate their fair value.

**Note 13. Events after the reporting period**

During the period to 31 December 2017, the consolidated entity commenced proceedings against the vendor for breach of non-competition clauses under the agreements of the sale and purchase of Star Vegas. On 25 December 2017, a Cambodian court issued an interim injunction against the vendor to cease all illegal casino operations. The vendor filed an objection against the injunction, but this was rejected by the court on 13 February 2018 and the injunction was upheld. While the matter is being resolved, the consolidated entity has withheld payment of the final management fee of \$19,045,688 which was recognised as a liability as at 30 June 2017. No further management fee is payable.

The consolidated entity has also commenced arbitration proceedings in Singapore and is claiming damages of USD120 million. The vendor has indicated that he plans to lodge a counter claim for payment of the management fee.

The Directors are not aware of any other events subsequent to the reporting period that may have a material impact on the financial statements.

**Note 14. Earnings / (loss) per share**

|   | Consolidated         |                    |
|---|----------------------|--------------------|
|   | 31 December 2017     | 31 December 2016   |
|   | \$                   | \$                 |
| (Loss) / profit after income tax  | (133,721,489)        | 14,976,254         |
| Non-controlling interest  | (75,446)             | (172,937)          |
| (Loss) / profit after income tax attributable to the owners of Donaco International Limited | <u>(133,796,935)</u> | <u>14,803,317</u>  |
|   | Number               | Number             |
| Weighted average number of ordinary shares used in calculating basic earnings per share     | 830,476,667          | 829,751,849        |
| Adjustments for calculation of diluted earnings per share:                                  |                      |                    |
| Options and warrants over ordinary shares which are dilutive                                | -                    | -                  |
| Weighted average number of ordinary shares used in calculating diluted earnings per share   | <u>830,476,667</u>   | <u>829,751,849</u> |
|   | Cents                | Cents              |
| Basic (loss) / earnings per share   | (16.11)              | 1.78               |
| Diluted (loss) / earnings per share   | (16.11)              | 1.78               |

**Note 15. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

| Name   | Principal place of business/<br>Country of incorporation | Ownership interest |              |
|--|--|--------------------|--------------|
|  |  | 31 December 2017   | 30 June 2017 |
| Donaco Australia Pty Ltd                               | Australia  | 100%               | 100%         |
| Donaco Singapore Pte Ltd                               | Singapore  | 100%               | 100%         |
| Donaco Holdings Ltd *                                  | British Virgin Islands                                   | 100%               | 100%         |
| Donaco Holdings Sdn Bhd *                              | Malaysia   | 100%               | 100%         |
| Lao Cai International Hotel Joint Venture Company Ltd* | Vietnam  | 95%                | 95%          |
| Donaco Hong Kong Limited                               | Hong Kong  | 100%               | 100%         |
| Prime Standard Limited                                 | Hong Kong  | 100%               | 100%         |
| Donaco Holdings (Hong Kong) Pte Ltd *                  | Hong Kong  | 100%               | 100%         |
| DNA Star Vegas Co. Limited **                          | Cambodia   | 100%               | 100%         |
| Donaco Entertainment & Marketing (Thailand) Ltd *      | Thailand   | 49%                | 49%          |
| Donaco Investment (S) Pte Ltd *                        | Singapore  | 100%               | -            |

\* Subsidiary of Donaco Singapore Pte Ltd

\*\* Subsidiary of Donaco Hong Kong Limited

The principal activities of each subsidiary are:

Donaco Australia Pty Ltd - Dormant (previously operated New Zealand games service, discontinued in January 2015).

Donaco Singapore Pte Ltd - Holding company for Vietnamese casino operations.

Donaco Holdings Ltd - Cost centre for corporate operations.

Donaco Holdings Sdn Bhd - Cost centre for corporate operations.

Donaco Holdings (Hong Kong) Pte Ltd - Cost centre for corporate operations and marketing activities.

Lao Cai International Hotel Joint Venture Company Ltd - Operates Vietnamese casino operations.

Donaco Hong Kong Limited - Holding company for Cambodian casino operations.

Prime Standard Limited - Cost centre for corporate operations.

DNA Star Vegas Co. Limited - Operates Cambodian casino operations.

Donaco Entertainment & Marketing (Thailand) Ltd - Provision of marketing services. While the ownership of this entity is below 50%, it is considered a controlled entity due to the provisions of the shareholders agreement which give the consolidated entity the right to appoint a majority of the board.

Donaco Investment (S) Pte Ltd - investment company.

**Note 16. Related party transactions**

The following transactions occurred with the related parties:

|   | <b>Consolidated</b>     |                         |
|---|-------------------------|-------------------------|
|   | <b>31 December 2017</b> | <b>31 December 2016</b> |
|   | <b>\$</b>               | <b>\$</b>               |
| Labour hire fee to Star Vegas Co. Ltd - a director related entity   | -                       | 5,924,195               |
| Leasing fees paid to Lee Hoe Property Co. Ltd - a director related entity   | 77,016                  | 79,512                  |
| Rental received from director's immediate family  | 58,056                  | 56,610                  |
| Technical support fees paid by Lao Cai JVC to Datamorph Services Sdn Bhd - a director related entity              | 92,419                  | 95,414                  |
| Licence agreement for occupation of office space paid to Infinite Capital Co. Ltd - a director related entity     | -                       | 24,540                  |
| Management fees received for Star Paradise Casino property from MMD Travel Co Ltd - a director related entity     | 475,732                 | 917,836                 |
| Disposal of property, plant and equipment to previous owner of DNA Star Vegas Co. Ltd - a director related entity | 140,683                 | -                       |

The above transactions occurred at commercial rates.

**DONACO INTERNATIONAL LIMITED**  
**Directors' declaration**  
**31 December 2017**

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In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on the date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Mr Stuart McGregor  
Non-Executive Chairman

28 February 2018

## Independent Auditor's Review Report to the Members of Donaco International Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Donaco International Limited which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Donaco International Limited and its controlled entities (the consolidated entity). The consolidated entity comprises Donaco International Limited (the company) and the entities it controlled during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

#### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Donaco International Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Crowe Horwath Sydney

**CROWE HORWATH SYDNEY**



**SUWARTI ASMONO**

Partner

Dated this 28<sup>th</sup> day of February 2018

|                             |   |
|-----------------------------|---|
| Directors                   | Stuart James McGregor - Non-Executive Chairman<br>Joey Lim Keong Yew - Managing Director and CEO<br>Benedict Paul Reichel - Executive Director<br>Benjamin Lim Keong Hoe - Non-Executive Director<br>Robert Andrew Hines - Non-Executive Director |
| Company secretary           | Benedict Paul Reichel   |
| Registered office           | Level 18<br>420 George Street<br>Sydney NSW 2000<br>Australia   |
| Principal place of business | Level 18<br>420 George Street<br>Sydney NSW 2000<br>Australia   |
| Share register              | Boardroom Pty Limited<br>Level 12<br>225 George Street<br>Sydney NSW 2000   |
| Auditor                     | Crowe Horwath Sydney<br>Level 15<br>1 O'Connell St<br>Sydney NSW 2000   |
| Stock exchange listing      | Donaco International Limited shares are listed on the Australian Securities Exchange<br>(ASX code: DNA)   |
| Website                     | <a href="http://www.donacointernational.com">www.donacointernational.com</a>  |