

28 December 2017

Donaco Wins Injunction to close Star Paradise

Donaco International Limited (“Donaco” or “the Company”) announces that a Cambodian court has issued an interim injunction to close the Star Paradise casino, which operates in competition with Donaco’s Star Vegas property in Poipet, Banteay Meanchey Province, Cambodia.

As announced to the market on 25 September and 23 November 2017, Donaco has commenced proceedings to enforce its legal rights against the vendor of the Star Vegas business. The vendor has breached his agreements with Donaco, by conducting gaming operations at the Star Paradise property next door. This is in breach of the non-competition clauses agreed with Donaco at the time of the original sale and purchase of Star Vegas.

The Banteay Meanchey Court of First Instance has now issued an interim injunction against the vendor, a Thai businessman called Somboon Sukcharoenkraisri, who also has a Cambodian passport under the name of Lee Bug Leng. The injunction also binds Somboon’s two sons, who have also breached the agreements:

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

These three defendants also jointly own a Cambodian company called Lee Hoe Property Co., Ltd, which owns land in Poipet. The injunction also binds Lee Hoe Property, since it is also subject to the non-competition clauses, and the Star Paradise business is located on its land.

Donaco has also discovered another illegal casino operating on land owned by Lee Hoe Property. This business, known as “Paramax”, has casino tables concealed behind a supermarket operation. Video and photographic evidence shows local Cambodians gambling at the tables, using cash instead of casino chips. It is illegal under Cambodian law to allow local citizens to enter casinos, and Donaco has reported this matter to the relevant authorities.

The injunction requires both Star Paradise and Paramax to cease gaming operations and to close down. It also prohibits Somboon and all other defendants from conducting any other casino and gaming related activities in Poipet City, Banteay Meanchey Province. Further, it prevents the sale, lease or other transfer of any interest in Star Paradise, or any equity in Lee Hoe Property, until the full case is decided.

Donaco will now move to enforce the injunction against all defendants. The Court’s order allows the defendants to defer the execution of the injunction, by depositing a guarantee of USD360 million. The injunction is also subject to appeal.

Donaco continues to withhold payment of the final vendor management fee for the Star Vegas business, which relates to the FY17 year, and amounts to AUD19 million. There are no further management fees payable.



In addition to the court proceedings in Cambodia, Donaco will continue to enforce its legal rights via arbitration proceedings in Singapore. Arbitration awards from Singapore can be enforced in both Cambodia and Thailand.

For further information:

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ABOUT DONACO INTERNATIONAL LIMITED (ASX: DNA)

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

Our major business is the Star Vegas Resort and Club, a successful casino and hotel complex in Poipet, Cambodia, on the border with Thailand. Star Vegas was established in 1999, and is the largest and highest quality of the Poipet casino hotels. The property has more than 100 gaming tables, more than 1400 slot machines, and 385 hotel rooms.

Our flagship business is the Aristo International Hotel, a successful boutique casino in northern Vietnam, located on the border with Yunnan Province, China. Established in 2002, the property has recently been expanded to a brand new five star resort complex with 400 hotel rooms. Donaco is a pioneer casino operator in Vietnam, and owns a 95% interest in the business, in a joint venture with the Government of Vietnam.

To learn more about Donaco visit www.donacointernational.com
