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donaco INTERNATIONAL

23 June 2025

SCHEME BOOKLET REGISTERED WITH ASIC

Donaco International Limited (**Donaco** or the **Company**) refers to its announcements on:

a) 17 March 2025 regarding the binding Scheme Implementation Deed with On Nut Road Limited (**ONR**) for ONR's proposed acquisition of 100% of the shares in Donaco that it does not already own via a Scheme of Arrangement (**Scheme**); and

b) 20 June 2025 regarding orders made by the Supreme Court of New South Wales (**Court**) that Donaco convene a meeting of Donaco shareholders to consider and vote on the proposed Scheme (**Scheme Meeting**) and approval of the distribution of an explanatory statement providing information about the Scheme and the Notice of Scheme Meeting (**Scheme Booklet**) to Donaco shareholders.

Registration of the Scheme Booklet, including the Independent Expert's Report

Donaco confirms the Scheme Booklet has now been registered by the Australian Securities and Investments Commission (**ASIC**). A copy of the Scheme Booklet, including the Notice of Scheme Meeting, is attached to this ASX announcement.

The Scheme Booklet includes the Independent Expert's Report prepared by BDO Corporate Finance Ltd (**Independent Expert**). The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Donaco shareholders, in the absence of a superior proposal.

The Scheme Booklet will be dispatched to Donaco shareholders by Monday, 30 June 2025. For details of how you will receive your Scheme Booklet, please refer to the Company's previous announcement made on 20 June 2025.

Shareholders are advised to carefully read the Scheme Booklet in its entirety, including the Independent Expert's Report, before deciding how to vote on the Scheme. If, after reading the Scheme Booklet, you have any questions regarding the Scheme or Scheme Booklet, please call the Donaco Shareholder Information Line on +61 8 6430 1300 Monday to Friday (excluding public holidays) between 9:00 am and 5:00 pm (AWST). Shareholder enquiries can also be emailed to donaco@fticonsulting.com.

Scheme Meeting

The Scheme Meeting, at which Donaco shareholders will consider and vote on the proposed Scheme, will be held at **10:00 am (AEST)** on **Monday, 4 August 2025** at **Ashurst Australia, Level 8, 39 Martin Place, Sydney NSW 2000**. Shareholders (or their appointed proxies, attorneys or corporate representatives) will be able to attend the Scheme Meeting in person.

Donaco shareholders may watch a live webcast of the Scheme Meeting online at https://attendee.gotowebinar.com/register/4518678409270352223, however, Donaco Shareholders will not be able to participate in the Scheme Meeting, vote, ask questions, or make comments via the webcast.

All registered Donaco shareholders as at 10:00 am (AEST) on Saturday, 2 August 2025 will be entitled to vote on the resolution to approve the Scheme at the Scheme Meeting.

Donaco shareholders who are unable to, or do not wish to, attend the Scheme Meeting, are strongly encouraged to submit a proxy form as early as possible, and in any event, by 10.00 am (AEST) on Saturday, 2 August 2025. The Notice of Scheme Meeting (which contains the resolution to approve the Scheme and instructions on how to vote by proxy) are set out in the Scheme Booklet.

Directors' Recommendation

The directors of Donaco continue to unanimously recommend that Donaco shareholders (other than an Excluded Shareholder, as that term is defined in the Scheme Booklet) vote in favour of the Scheme at the Scheme Meeting, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco shareholders. Subject to those same qualifications, each Donaco director will vote, or procure the voting of, all Donaco shares held or controlled by them in favour of the Scheme at the Scheme Meeting.

-ENDS-

Authorised for release by the Board.

For further information, contact:

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donaco
INTERNATIONAL

Donaco International Limited
ACN 007 424 777

SCHEME BOOKLET

In relation to a proposal from On Nut Road Limited (**ONR**) to acquire all Donaco Shares by way of a recommended scheme of arrangement between Donaco and its shareholders.

VOTE IN FAVOUR

Your Donaco Directors unanimously recommend that you **VOTE IN FAVOUR** of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders.

This is an important document and requires your immediate attention. You should read it in its entirety before deciding whether or not to vote in favour of the Scheme Resolution required to implement the Scheme. If you are in any doubt about what to do, you should consult your legal, financial, taxation or other professional adviser immediately.

If you have any questions about this Scheme Booklet or the Scheme, please either:

- email your question(s) to donaco@fticonsulting.com; or
- call +61 8 6430 1300 between 9.00 am and 5.00 pm (AWST) Monday to Friday, excluding public holidays in Perth.

Legal Adviser

Ashurst

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IMPORTANT NOTICES

General

This Scheme Booklet is important. Donaco Shareholders should carefully read this Scheme Booklet in its entirety before deciding whether or not to vote in favour of the Scheme Resolution required to implement the Scheme.

Nature and purpose of this Scheme Booklet

This Scheme Booklet includes the explanatory statement for the Scheme for the purposes of section 412(1) of the Corporations Act.

This Scheme Booklet explains the terms of the proposed acquisition of all of the Scheme Shares by ONR by way of a scheme of arrangement between Donaco and Donaco Shareholders under Part 5.1 of the Corporations Act.

This Scheme Booklet also sets out the manner in which the Scheme will be considered and implemented (if all of the conditions to the Scheme are satisfied or (if permitted) waived) and provides such information as is prescribed by the Applicable Law or is otherwise material to the decision of Donaco Shareholders whether to vote in favour of the Scheme.

This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act.

If you have sold all your Donaco Shares, please disregard this Scheme Booklet.

Responsibility for information

Donaco has prepared, and is responsible for, the Donaco Material (and is not responsible for the ONR Material). None of ONR, its Related Bodies Corporate or their directors, officers, employees and advisers have verified any Donaco Material and none of them assume any responsibility for the accuracy or completeness of any Donaco Material.

ONR has prepared, and is responsible for, the ONR Material (and is not responsible for the Donaco Material). None of Donaco, its Related Bodies Corporate or their respective directors, officers, employees and advisers have verified any ONR Material, and none of them assume any responsibility for the accuracy or completeness of any ONR Material.

The Independent Expert, BDO, has prepared the Independent Expert's Report contained in Annexure E of this Scheme Booklet and takes responsibility for that report. None of Donaco, ONR or their respective Related Bodies Corporate, or any of their respective directors, officers, employees or advisers assumes any responsibility for the Independent Expert's Report.

ASIC and ASX

A copy of this Scheme Booklet has been provided to ASIC in accordance with section 411(2) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2) of the Corporations Act.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. ASIC's policy in relation to statements under section 411(17)(b) of the Corporations Act is that it will not provide such a statement until the Second Court Date. This is because ASIC will not be in a position to advise the Court until it has had an opportunity to observe the entire Scheme process. If ASIC provides that statement, it will be produced to the Court at the Second Court Hearing. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Forward looking statements and intentions

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be in the nature of forward looking statements, including statements about intentions, beliefs and expectations, plans, strategies and objectives of Donaco, ONR or their respective directors and management, the anticipated timing for and outcome and effects of the Scheme (including expected benefits to shareholders of Donaco and ONR), indications of and guidance on synergies, future earnings or financial position or performance, costs, capital expenditure,

expectations for growth potential of ONR and the future operations of Donaco and ONR. Forward looking statements (such as those above) are not based on historical facts, but rather reflect the current views and expectations of Donaco (or, in relation to the ONR Material, ONR) concerning future events and circumstances. Such statements (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. You should be aware that forward looking statements are only opinions and are subject to inherent risks and uncertainties, including (among other things) risks relating to Donaco and ONR and the industries in which they operate, funding requirements, operating risks (including unexpected capital or operating cost increases), competition and market risks, regulatory restrictions (including changes in regulatory restrictions or regulatory policy) and risks associated with general economic conditions.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. There can be no assurance that the Scheme will be implemented or that plans of the directors and management of Donaco and ONR will proceed as currently expected or will ultimately be successful. You are strongly cautioned not to place undue reliance on forward looking statements, including in respect of the financial or operating outlook for Donaco or ONR.

None of Donaco, ONR, or their respective officers, directors, employees or advisers or any person named in this Scheme Booklet or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement.

The historical performance of Donaco and ONR is no assurance of their future financial performance. None of Donaco, ONR, or their respective officers, directors, or employees and advisers give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements and information in this Scheme Booklet will actually occur.

Any forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under the ASX Listing Rules or the Corporations Act, Donaco, ONR and their respective officers, directors, employees and advisers, disclaim any obligation or undertaking to provide any additional or updated information or to update any forward looking information after the date of this Scheme Booklet, whether as a result of new information, future events or results, or otherwise. Nothing in this Scheme Booklet will, under any circumstance (including by reasons of this Scheme Booklet remaining available and not being superseded or replaced by a supplementary Scheme Booklet or any announcement, presentation or publication with respect to Donaco or ONR, or the subject matter of this Scheme Booklet), create an implication that there has been no change in the affairs of Donaco or ONR since the date of this Scheme Booklet.

Not investment advice

The information contained in this Scheme Booklet does not contain or constitute financial product advice and does not take into account the investment objectives, financial situation, taxation position or particular needs of any individual Donaco Shareholder or any other person. Before making any decision (including a decision in relation to the Scheme or in relation to Donaco generally), you should consider, with or without the assistance of an independent securities or other adviser, whether that decision is appropriate in light of your particular investment needs, objectives and financial circumstances.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. Donaco disclaims all liabilities to such persons.

Donaco Shareholders who are resident outside of Australia, or who are nominees, trustees or custodians for beneficial holders resident outside Australia, are encouraged to seek independent advice as to how they should proceed (including specific taxation advice in relation to the Australian and overseas tax implications of their participation in the Scheme).

This Scheme Booklet has been prepared in accordance with Australian law and the information

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contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of jurisdictions other than Australia. No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside Australia.

Important notice associated with the Court order

The fact that, under section 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened, and has approved the Scheme Booklet required to accompany the Notice of Scheme Meeting, does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how Donaco Shareholders should vote (on this matter, members must reach their own decision); or
- has prepared, or is responsible for the content of, the Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure D of this Scheme Booklet.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the votes at the Scheme Meeting.

Any Donaco Shareholder may appear at the Second Court Hearing, which is expected to be held at 9.15 am (AEST) on Thursday, 7 August 2025 at the Supreme Court of New South Wales (Law Courts Building, 184 Phillip Street, Queens Square, Sydney NSW 2000).

Any Donaco Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Donaco a notice of appearance in the prescribed form, together with any affidavit on which the Donaco Shareholder proposes to rely.

Tax implications of the Scheme

If the Scheme becomes Effective and is implemented, there will be tax consequences for Scheme Shareholders which may include tax being payable on any gain on the disposal of Donaco Shares. For further detail about the general Australian tax consequences of the Scheme, refer to section 8 of this Scheme Booklet.

The tax treatment may vary depending on the nature and characteristics of each Donaco Shareholder and their specific circumstances. Accordingly, Donaco Shareholders should seek professional tax advice in relation to their particular circumstances.

Privacy

Donaco and ONR may need to collect personal information in connection with the Scheme.

The personal information may include the names, contact details and details of holdings of Donaco Shareholders, together with contact details of individuals appointed as proxies, attorneys or corporate representatives for the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist Donaco and ONR to conduct the Scheme Meeting and implement the Scheme.

The information may be disclosed to Donaco, ONR, and their respective Related Bodies Corporate and advisers, print and mail service providers, share registries, securities brokers and any other service provider to the extent necessary to effect the Scheme.

Donaco Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them. Donaco Shareholders may contact the Share Registry if they wish to exercise these rights.

If the information outlined above is not collected, Donaco may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme. Donaco Shareholders who appoint an individual as their proxy, attorney or corporate representative to vote at the applicable Scheme Meeting should inform that individual of the matters outlined above.

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External websites

Unless expressly stated otherwise, the content of Donaco's website and ONR's website do not form part of this Scheme Booklet and Donaco Shareholders should not rely on any such content.

Interpretation

Capitalised terms used in this Scheme Booklet are defined in the Glossary in section 10 of this Scheme Booklet, or otherwise in the sections in which they are used. Section 10 of this Scheme Booklet also sets out rules of interpretation which apply to this Scheme Booklet. Some of the documents reproduced in the Annexures to this Scheme Booklet have their own defined terms, which are sometimes different from those in the Glossary.

Charts and diagrams

Any diagrams, charts, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, graphs and tables is based on information available at the date of this Scheme Booklet. All numbers are rounded, unless otherwise indicated.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in this Scheme Booklet. Any discrepancies between totals in tables or financial information, or in calculations, graphs or charts are due to rounding.

Financial amounts and exchange

The financial amounts in this Scheme Booklet are expressed in Australian dollars (**AUD**), unless otherwise stated. The financial information in this Scheme Booklet is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

Times and dates

All times referred to in this Scheme Booklet are references to times in Australian Eastern Standard Time (**AEST**), unless otherwise stated.

All dates following the Scheme Meeting referred to in this Scheme Booklet are indicative only and, among other things, are subject to the satisfaction or (if permitted) waiver of the Conditions Precedent to the Scheme.

Date of this Scheme Booklet

This Scheme Booklet is dated 23 June 2025.

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LETTER FROM THE CHAIRMAN OF DONACO

Dear Donaco Shareholders,

On behalf of the entire Donaco Board, I am pleased to provide you with this Scheme Booklet which contains important information in relation to the proposed acquisition of Donaco by ONR, a special purpose vehicle managed by Argyle Street Management Limited, a Hong Kong licensed fund manager with more than US$2 billion of assets under management.

The proposed acquisition will be considered by Donaco Shareholders at the upcoming Scheme Meeting, to be held at 10.00 am (AEST) on Monday, 4 August 2025. This Scheme Booklet sets out details of the proposed Scheme and matters relevant to your vote, including the reasons why the Donaco Board unanimously recommends Shareholders vote **in favour** of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interest of all Shareholders. It also sets out reasons why you may wish to vote against the Scheme. This Scheme Booklet will assist you in making an informed decision about how to vote and contains important information, including the reasons to vote in favour of, or against, the Scheme (refer to section 1) and certain risks related to the Scheme (refer to section 7).

Your vote is important, and I urge you to read this Scheme Booklet (including the Independent Expert's Report in Annexure E) in its entirety.

Background

On 17 March 2025, Donaco announced it had entered into a binding Scheme Implementation Deed with ONR under which it is agreed ONR will acquire all of the shares in Donaco that it does not already own by way of a scheme of arrangement for A$0.045 cash per Donaco Share (**Scheme Consideration**).

If the Scheme is approved and implemented, each Donaco Shareholder (other than an Excluded Shareholder, which consists of the Bidder and any member of the Bidder Group which holds Donaco Shares) will receive A$0.045 cash for each Donaco Share held as at the Scheme Record Date.

The Scheme is subject to certain customary conditions, including approval by Donaco Shareholders and the Supreme Court of New South Wales, which are summarised in section 3.5 and in Annexure A.

Donaco Board unanimously recommends the Scheme

The Donaco Board unanimously recommends that Donaco Shareholders (other than an Excluded Shareholder) **vote in favour of the Scheme at the Scheme Meeting,** in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders (see below in relation to the Independent Expert's opinion). Subject to those same qualifications, each Donaco Director will vote, or procure the voting of, all Donaco

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Shares held or controlled by them in favour of the Scheme, which in aggregate represents 21.48% of Donaco's total issued share capital, as described further below.[1]

The decision of Donaco Directors to unanimously recommend the Scheme follows a comprehensive assessment by your Donaco Directors of the benefits and risks of the Scheme as against operational concerns of Donaco's business, including the new gaming legislation in Thailand to introduce casino franchises in Bangkok which could significantly impact the flow of patrons to Donaco's border casinos and the impact on costs due to the Thai government's recent actions to cut electricity and internet supply along certain towns between Thailand and Cambodia resulting in intermittent power supply. Your Donaco Directors consider that the opportunity to immediately realise value for cash offered by the Scheme has the potential to deliver greater benefits to Donaco Shareholders than any other alternative currently available, particularly when considering the prevailing cross-border issues, uncertain electricity supply and the fundraising challenges Donaco currently faces which are impacting the ability to pursue growth opportunities.

Reasons to vote in favour of the Scheme

In reaching its recommendation, the Donaco Directors had regard to a range of factors including:

- the Scheme Consideration of A$0.045 cash per Donaco Share represents a significant premium of:
    - 50% to the last traded price as at 14 March 2025 (A$0.03 per Donaco Share), being the last Trading Day prior to the announcement of Donaco entering into the Scheme Implementation Deed with ONR;
    - 54.1% to the 90-day VWAP to the last traded price as at 14 March 2025 (A$0.0292 per Donaco Share), being the last Trading Day prior to the announcement of Donaco entering into the Scheme Implementation Deed with ONR; and
    - 9.8% to Donaco's closing share price of A$0.041 per Donaco Share on 18 June 2025, being the Last Practicable Date;
- the Scheme Consideration provides Donaco Shareholders with certainty of value and the opportunity to realise their investment for cash, and will avoid any ongoing risks and uncertainties involved in Donaco's operations and future developments, the dilutive impact of raising additional equity capital and uncertainties relating to the regulatory environment in which Donaco operates;
- the Independent Expert has concluded that the Scheme is in the best interests of Scheme Shareholders on the basis that it is both fair and reasonable, in the absence of a Superior Proposal;

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[1] In relation to the unanimous recommendation of your Donaco Directors, Donaco Shareholders should note:

- irrespective of whether the Scheme becomes Effective, each of your Donaco Directors will be entitled to be paid certain bonus payments, details of which are described in section 9.3(b)(i). The aggregate amount of the bonus payments to be paid to all Donaco Directors is $750,000 (GST exclusive); and
- Mr Porntat Amatavivadhana, Mr Techatut Sukcharoenkraisri (aka Lee Bug Huy) and Mr Roderick Sutton are each Donaco Directors and shareholders of Donaco. In particular, Mr Lee Bug Huy is a substantial shareholder of Donaco, holding, directly or indirectly, 260,451,476 Donaco Shares (representing 21.08% of the total issued capital of Donaco) as at the Last Practicable Date.

Each of your Donaco Directors has concluded that, despite these arrangements, it is appropriate to make a recommendation in relation to the Scheme. These arrangements are disclosed in this Scheme Booklet to allow Donaco Shareholders to consider your Donaco Directors' unanimous recommendation (that Donaco Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders), with the full context of the Donaco Directors' interests in connection with the Scheme.

- Donaco Shares will continue to be subject to market volatility and are likely to trade at a lower price if the Scheme is not implemented and no Superior Proposal emerges;
- since the Scheme was announced on 17 March 2025, no Superior Proposal has emerged; and
- you will not incur any brokerage charges on the transfer of your Donaco Shares if the Scheme proceeds.

Potential disadvantages of the Scheme

In forming their unanimous decision to recommend the Scheme to Donaco Shareholders, subject to the qualifications described above, the Donaco Board considered the potential disadvantages of the Scheme proceeding.

In particular:

- you may disagree with your Donaco Directors' unanimous recommendation and/or the Independent Expert's conclusion;
- you may prefer to participate in the future financial performance of the Donaco business on a standalone basis or otherwise;
- you may believe it is in your best interest to maintain your current investment and risk profile;
- you may consider there is potential for a Superior Proposal for Donaco to emerge in the future, if Donaco were to continue as a standalone entity. As at the date of this Scheme Booklet, the Donaco Board is not aware of any Superior Proposal and has no basis to believe that a Superior Proposal is likely to emerge; and
- the tax consequences of the Scheme may not suit your current financial position or tax circumstances.

Independent Expert's Report

Donaco has appointed BDO as the Independent Expert to opine on whether the Scheme is in the best interests of Donaco Shareholders. Knight Frank has been appointed as the Independent Property Expert to prepare the Independent Property Expert's Reports contained in the Independent Expert's Report.

A complete copy of the Independent Expert's Report (which annexes the Independent Property Expert's Reports), is attached to this Scheme Booklet in Annexure E. You are encouraged to read the Independent Expert's Report in its entirety.

In the Independent Expert's Report, the Independent Expert has:

- concluded that the Scheme Consideration is fair and reasonable, and in the best interests of Scheme Shareholders, in the absence of a Superior Proposal; and
- assessed the value of a Donaco Share on a controlling interest basis to be in the range of A$0.041 to A$0.064. The Scheme Consideration of A$0.045 per Donaco Share is within this range.

In coming to its conclusion, the Independent Expert gave regard to the following factors (among others):

- the Scheme provides certainty as to value;

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- the Scheme provides Scheme Shareholders with a premium to traded prices prior to the price as at close of trade on 14 March 2025, being the last Trading Day prior to the announcement of Donaco entering into the Scheme Implementation Deed with ONR;
- a superior alternative proposal has not been received; and
- there is the potential for the price of a Donaco Share to fall from current levels in the absence of the Scheme or an alternative Superior Proposal.

Shareholder and Director commitments to the Scheme

As announced to ASX on 17 March 2025, Donaco's largest shareholder (that is not also a Donaco Director), Mr Bhuvasith Chaiarunrojh (aka Lee Bug Tong), and your Donaco Directors, have each confirmed to Donaco that they intend to vote all of the Donaco Shares that they directly or indirectly own or control at the time of the Scheme Meeting in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders.

Mr Lee Bug Tong holds (directly or indirectly) 260,451,477 Donaco Shares (representing 21.08% of the total issued share capital of Donaco) as at the Last Practicable Date.[2]

Your Donaco Directors directly or indirectly own or control, in aggregate, 265,345,881 Donaco Shares (representing an additional 21.48% of the total issued share capital of Donaco) as at the Last Practicable Date.[3]

The support of Mr Lee Bug Tong (and your Donaco Directors) is an endorsement for the Scheme and Donaco believes it will contribute meaningfully to the votes required to approve the Scheme at the Scheme Meeting. However, as is set out in section 1.3 above and despite the views of Donaco Shareholders, there are a number of reasons why an individual Donaco Shareholder may decide not to vote in favour of the Scheme.

Risk factors

The Donaco Board considers that it is appropriate for Donaco Shareholders, in considering the Scheme, to be aware that there are a number of risk factors which could materially adversely affect the future operating and financial performance of Donaco and the value of Donaco Shares. These risk factors are set out in detail in section 7. If the Scheme proceeds, Donaco Shareholders will receive the Scheme Consideration and, from implementation of the Scheme, will cease to be Donaco Shareholders and will no longer be exposed to these risks. If the Scheme does not proceed, the Donaco Board would continue to operate in the ordinary course of business, however, note that Donaco Shareholders will be exposed to the risks and challenges of delivering future growth opportunities over the long term.

[2] Mr Lee Bug Tong and Mr Lee Bug Huy both hold Relevant Interests in the same parcel of 1,000,000 Donaco Shares which is held directly by Highest Point Investments Limited, a company controlled by them. Therefore, there is an overlap in the number of Donaco Shares that each of Mr Lee Bug Tong and Mr Lee Bug Huy have agreed to vote in favour of the Scheme to the extent of the 1,000,000 Donaco Shares held by Highest Point Investments Limited. Mr Lee Bug Tong and Mr Lee Bug Huy's aggregate Relevant Interests in Donaco represents 42.08% of Donaco's total issued share capital as at the Last Practicable Date and each of them individually controls the votes attached to 21.08% of Donaco's total issued share capital as at the Last Practicable Date.

[3] See footnote 2.

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Next steps

Implementation of the Scheme is subject to (among other things) approval by Donaco Shareholders at the Scheme Meeting to be held at 10.00 am (AEST) on Monday, 4 August 2025 and by the Supreme Court of New South Wales.

For the Scheme to be implemented, it must be approved at the Scheme Meeting by:

- more than 50% of Donaco Shareholders (other than an Excluded Shareholder) present and voting at the Scheme Meeting (unless the Court orders otherwise); and
- at least 75% of the total number of votes cast on the Scheme Resolution by Donaco Shareholders (other than an Excluded Shareholder).

How to vote

Your vote is important in determining whether or not the Scheme proceeds. You may vote on the Scheme Resolution by attending the Scheme Meeting in person, or by appointing a proxy, attorney or corporate representative to attend the Scheme Meeting and vote on your behalf.

If you do not wish to or are unable to attend the Scheme Meeting in person, I encourage you to vote on the Scheme Resolution by completing the personalised proxy form accompanying this Scheme Booklet and returning it to the Share Registry so that it is received no later than 10.00 am (AEST) on Saturday, 2 August 2025.

Please refer to section 4 and the Notice of Scheme Meeting at Annexure D for more instructions on how to attend the Scheme Meeting and how to cast your vote.

Further information

I again encourage you to read this Scheme Booklet carefully and in its entirety, as it will assist you in making an informed decision on how to vote. If required, I also encourage you to seek independent financial, legal and taxation advice before making any investment decision in relation to your Donaco Shares.

If you require any further information, please either:

- email your question(s) to donaco@fticonsulting.com; or
- call +61 8 6430 1300 between 9.00 am and 5.00 pm (AWST) Monday to Friday, excluding public holidays in Perth.

On behalf of the Donaco Board, I would like to thank you for your continued support of Donaco. I look forward to your participation in the Scheme Meeting and encourage you to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of Donaco Shareholders.

Yours sincerely,



Porntat Amatavivadhana
Non-Executive Chairman
Donaco International Limited

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KEY DATES AND EXPECTED TIMETABLE FOR THE SCHEME

Event	Time and date
Date of this Scheme Booklet	23 June 2025
First Court Hearing	3.00 pm (AEST) Friday, 20 June 2025
Latest time for receipt of completed proxy forms for Scheme Meeting (including proxy forms lodged online)	10.00 am (AEST) Saturday, 2 August 2025
Time for determining eligibility to vote at Scheme Meeting	10.00 am (AEST) Saturday, 2 August 2025
Scheme Meeting	10.00 am (AEST) Monday, 4 August 2025
IF THE SCHEME IS APPROVED BY DONACO SHAREHOLDERS	
Second Court Date for approval of the Scheme	9.15 am (AEST) Thursday, 7 August 2025
Effective Date • Scheme Order lodged with ASIC and lodgement is announced on ASX • Last day of trading in Donaco Shares on ASX (with Donaco Shares suspended from trading on ASX from close of trading)	Friday, 8 August 2025
Scheme Record Date for determining entitlements to Scheme Consideration	5.00 pm (AEST) Tuesday, 12 August 2025
Implementation Date • Payment of the Scheme Consideration • All Scheme Shares transferred to ONR	Tuesday, 19 August 2025

All times and dates in the above timetable are references to Australian Eastern Standard Time (**AEST**) and dates in Sydney, Australia (unless stated otherwise). All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and any other conditions to the Scheme having been satisfied or, if applicable, waived. Donaco reserves the right to vary the times and dates set out above. Any changes to the above timetable will be announced on ASX and notified on Donaco's website at https://www.donacointernational.com.

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1. CONSIDERATIONS RELEVANT TO YOUR VOTE

1.1 Summary

The Scheme has several advantages and disadvantages that may affect Shareholders in different ways depending on their individual circumstances. Shareholders should seek professional advice on their particular circumstances, as appropriate.

Section 1.2 provides the reasons why the Donaco Directors unanimously recommend Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Shareholders.[4]

Section 1.2 should be read in conjunction with section 1.3, which sets out reasons why Shareholders may wish to vote against the Scheme Resolution. Before deciding how to vote at the Scheme Meeting, you should read this Scheme Booklet in its entirety, including the Independent Expert's Report (Annexure E), the factors relevant to your decision discussed in this section 1 and the risk factors outlined in section 7.

If you have any additional questions about this Scheme Booklet or the Scheme, please either:

- email your question(s) to donaco@fticonsulting.com; or
- call +61 8 6430 1300 between 9.00 am and 5.00 pm (AWST) Monday to Friday, excluding public holidays in Perth.

REASONS TO VOTE IN FAVOUR OF THE SCHEME	
✓	Your Donaco Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and provided that the Independent Expert continues to conclude that the Scheme is in the best interests of Donaco Shareholders[5]
✓	The Scheme Consideration of A$0.045 cash per Donaco Share represents a significant premium for your Donaco Shares
✓	The Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of Scheme Shareholders, in the absence of a Superior Proposal
✓	Donaco Shares are likely to trade at a lower price if the Scheme is not implemented and no Superior Proposal emerges, in the absence of favourable market conditions
✓	The Scheme Consideration provides Donaco Shareholders with certainty of value and the opportunity to realise their investment for cash, and will avoid any ongoing risks and uncertainties involved in Donaco's operations and future developments
✓	You will not incur any brokerage charges on the transfer of Donaco Shares if the Scheme proceeds
✓	No Superior Proposal has emerged since the Announcement Date

[4] In relation to the unanimous recommendation of your Donaco Directors, Donaco Shareholders should note the benefits your Donaco Directors will receive, as described in footnote 1.

[5] In relation to the unanimous recommendation of your Donaco Directors, Donaco Shareholders should note the benefits your Donaco Directors will receive, as described in footnote 1.

These reasons are discussed in more detail in section 1.2 of this Scheme Booklet.

REASONS WHY YOU MAY CHOOSE TO VOTE AGAINST THE SCHEME
✘ You may disagree with your Donaco Directors' unanimous recommendation and/or the Independent Expert's conclusion
✘ You may prefer to participate in the future financial performance of the Donaco business on a standalone basis or otherwise
✘ You may believe it is in your best interests to maintain your current investment and risk profile
✘ You may consider there is potential for a Superior Proposal for Donaco to emerge in the future, if Donaco were to continue as a standalone entity
✘ The tax consequences of the Scheme may not suit your current financial position or tax circumstances

These reasons are discussed in more detail in section 1.3 of this Scheme Booklet and, in relation to the possible sale of your Donaco Shares on market, in section 1.4(h).

1.2 Reasons to vote in favour of the Scheme

(a) **Your Donaco Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders**

In reaching their unanimous recommendation, your Donaco Directors have assessed the Scheme having regard to the reasons to vote in favour of, or against, the Scheme, as set out in this Scheme Booklet. Your Donaco Directors undertook a comprehensive assessment of the benefits and risks of the Scheme against operational concerns of Donaco's business. This included the new gaming legislation in Thailand to introduce casino franchises in Bangkok, the potential impact on costs due to recent actions to cut electricity and internet supply to certain towns between Thailand and Cambodia and the additional capital expenditure involved in maintaining the Star Vegas Resort & Club and the Aristo International Hotel.

The Donaco Directors believe the Scheme Consideration proposed under the Scheme is attractive, and fairly recognises the value of Donaco. In addition, the Scheme provides certain cash proceeds in the near term which may not be achieved if the Scheme does not proceed.

In relation to the unanimous recommendation of your Donaco Directors, Donaco Shareholders should note:

(i) irrespective of whether the Scheme becomes Effective, each of your Donaco Directors will be entitled to be paid certain bonus payments, details of which are described in section 9.3(b)(i). The aggregate amount of the bonus payments to be paid to all Donaco Directors is A$750,000 (GST exclusive); and

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(ii) Mr Porntat Amatavivadhana, Mr Lee Bug Huy and Mr Roderick Sutton are all Donaco Directors and shareholders of Donaco, who together hold 265,345,881 Donaco Shares (representing 21.48% of the total issued capital of Donaco) as at the Last Practicable Date.[6]

Each of your Donaco Directors has concluded that, despite these arrangements, it is appropriate to make a recommendation in relation to the Scheme. These arrangements are disclosed in this Scheme Booklet to allow Donaco Shareholders to consider your Donaco Directors' unanimous recommendation (that eligible Donaco Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders), with the full context of the Donaco Directors' interests in connection with the Scheme.

As at the date of this Scheme Booklet, the Donaco Board is not aware of any Superior Proposal and has no basis to believe that a Superior Proposal is likely to emerge. The Scheme Implementation Deed, entered into with ONR, permits Donaco to engage with any party that offers an unsolicited Superior Proposal, subject to customary exclusivity obligations on Donaco, including no shop, no talk and no due diligence restrictions. Donaco is also bound by other customary provisions, including a matching right in the event of a Competing Proposal. A summary of the key terms of the Scheme Implementation Deed is provided in Annexure A of this Scheme Booklet.

In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders, each of your Donaco Directors intends to vote all Donaco Shares held or controlled by them in favour of the Scheme. Your Donaco Directors' interests in Donaco Shares are set out in section 9.1.

(b) **The Scheme Consideration of A$0.045 cash per Donaco Share represents a significant premium to the undisturbed price of Donaco Shares**

Under the terms of the Scheme, subject to the Scheme becoming Effective, Donaco Shareholders (other than an Excluded Shareholder) who are registered as such on the Scheme Record Date will receive a cash payment of A$0.045 for each Donaco Share held on the Scheme Record Date.

The Scheme Consideration of A$0.045 per Donaco Share represents a significant premium of:

(i) 50% to the last traded price as at 14 March 2025 (A$0.0300 per Donaco Share), being the last Trading Day prior to the announcement of Donaco entering into the Scheme Implementation Deed with ONR;

(ii) 54.1% to the 90-day VWAP to the last traded price as at 14 March 2025 (A$0.0292 per Donaco Share), being the last Trading Day prior to the announcement of Donaco entering into the Scheme Implementation Deed with ONR; and

(iii) 9.8% to Donaco's closing share price of A$0.041 per Donaco Share on 18 June 2025, the Last Practicable Date.

[6] See footnote 2.

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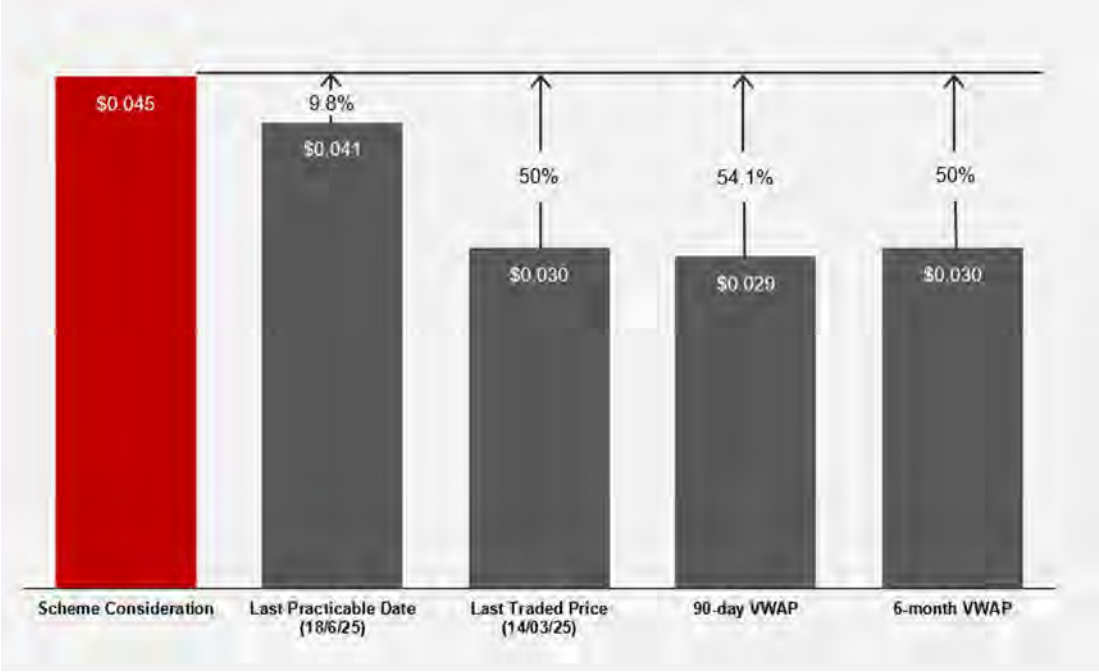
If the Scheme is not implemented and no Superior Proposal emerges, it is possible the price of Donaco Shares may fall from current levels. As at the date of this Scheme Booklet, the Donaco Board is not aware of any Superior Proposal, and has no basis to believe that a Superior Proposal is likely to emerge.

Until the Effective Date (currently expected to be Friday, 8 August 2025), Donaco Shareholders may be able to sell their Donaco Shares on market at the then prevailing market price (which could include prices below, at or above the Scheme Consideration). Donaco Shareholders who sell Donaco Shares on market may be required to pay brokerage, and different tax consequences may apply compared to those that would arise if they retained their Donaco Shares until the Scheme is implemented.

Figure 1: Scheme Consideration premia (A$)



Source: Iress

(c) **The Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of Scheme Shareholders, in the absence of a Superior Proposal**

Donaco appointed BDO as the Independent Expert to opine on whether the Scheme is in the best interests of Donaco Shareholders within an Independent Expert's Report. Knight Frank has been appointed as the Independent Property Expert to prepare the Independent Property Expert's Reports contained in the Independent Expert's Report.

The Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of Scheme Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the value of a Donaco Share on a controlling interest basis to be in the range of A$0.041 to A$0.064. The Scheme Consideration of A$0.045 per Donaco Share is within this range.

The reasons why the Independent Expert reached its conclusion are set out in the Independent Expert's Report, a copy of which is included in Annexure E of this

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Scheme Booklet. Your Donaco Directors encourage you to read the Independent Expert's Report in its entirety.

(d) **Donaco Shares are likely to trade at a lower price if the Scheme is not implemented and no Superior Proposal emerges, in the absence of favourable market conditions**

If the Scheme is not implemented, Donaco Shares will continue to trade on the ASX and will continue to be subject to market volatility. This includes exposure to general securities market movements, the impact of general economic conditions, the impact of commodity prices and the demand for listed securities.[7]

The price at which Donaco Shares have traded in the market since the Announcement Date has, in the opinion of Donaco Directors, been predicated on the announcement, and potential implementation, of a control transaction in relation to Donaco.

As such, your Donaco Directors caution that if the Scheme is not approved and no Superior Proposal emerges, Donaco Shares may trade below the current trading levels (and the implied value of the Scheme Consideration). Refer to the charts contained in Figures 3 and 4 showing the share price trends of Donaco's ASX-listed peer companies operating in the gaming and casino industry before and after the Announcement Date.

Over the six months prior to the Announcement Date, Donaco Shares traded between a low of A$0.026 per Donaco Share on 12 November 2024 and a high of A$0.036 per Donaco Share on 21 January 2025. On 14 March 2025, the last Trading Day prior to the announcement of Donaco entering into the Scheme Implementation Deed with ONR, Donaco Shares closed at A$0.03 per Donaco Share.

The graph below shows the share price performance of Donaco Shares over the 6 months prior to the Last Practicable Date, relative to the Scheme Consideration of A$0.045.

[7] Refer to sections 7.1 and 7.4 for more information regarding the general risks that are associated with an investment in Donaco and the risks and implications for Donaco and Donaco Shareholders if the Scheme is not implemented.

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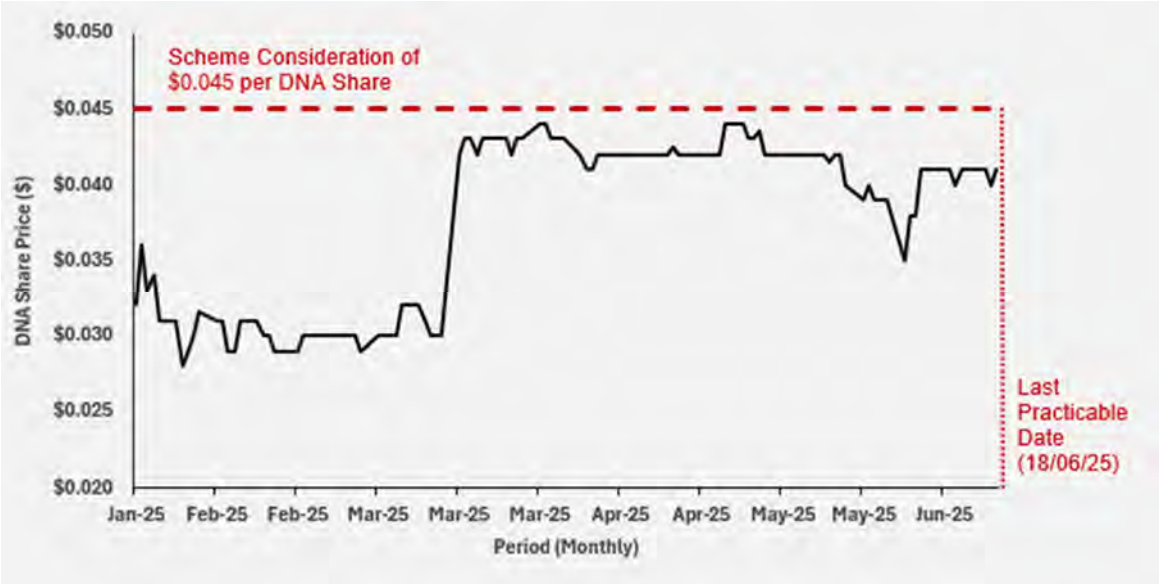
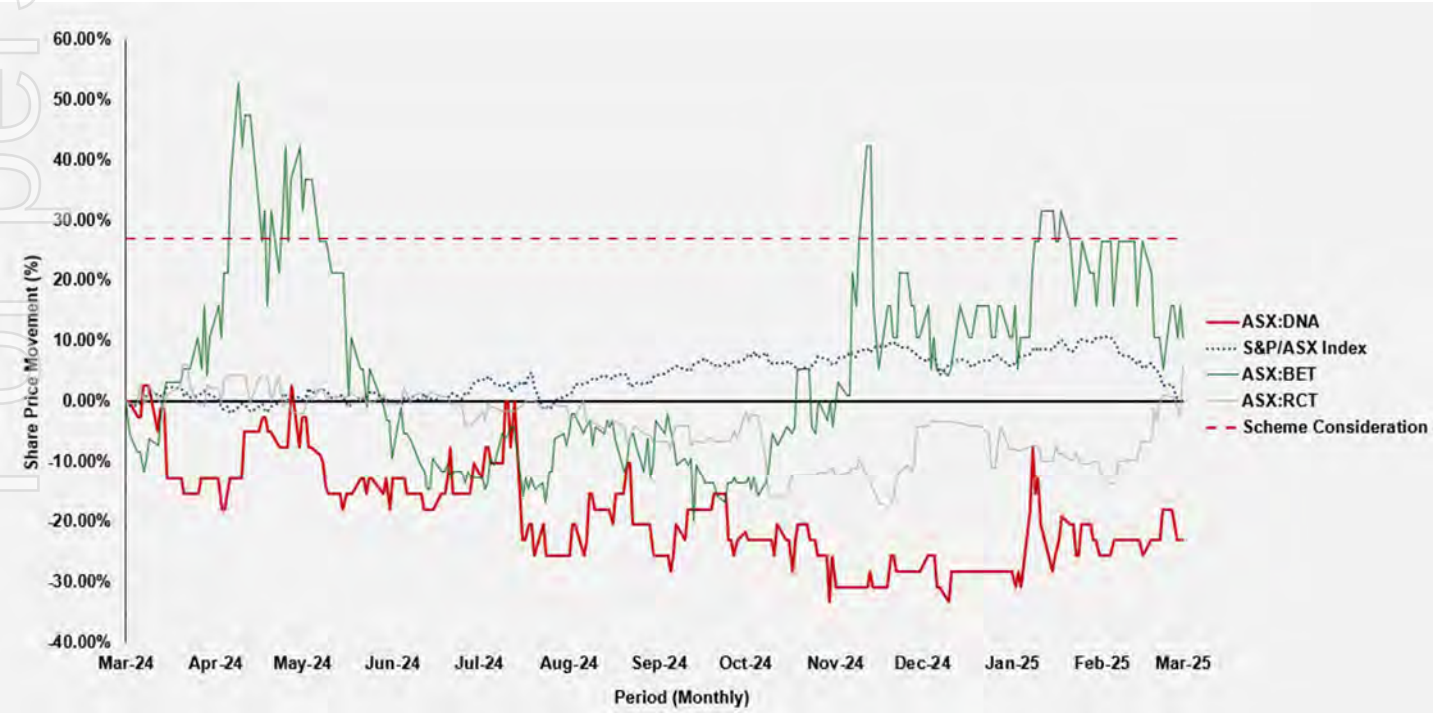
Figure 2: Donaco's trading performance in six months prior to the Last Practicable Date.



Source: Iress

The charts below show the share price performance of Donaco Shares and peer ASX-listed companies in the gaming and casino industry. For these purposes, Donaco has selected Betmakers Technology Group Ltd (ASX:BET) and Reef Casino Trust (ASX:RCT) as its peers. The benchmark performance of the ASX Index has also been included for illustrative purposes of general performance. The chart in Figure 3 shows Donaco's share price performance and peer group for the 12-month period up to the Announcement Date, and the chart in Figure 4 shows share price performance for the same companies from the Announcement Date to 18 June 2025.

Figure 3: Donaco's trading performance against ASX-listed peers in the gaming and casino industry in the 12 months prior to the Announcement Date



Source: CapitalIQ

Figure 4: Donaco's trading performance against ASX-listed peers in the gaming and casino industry post-Announcement Date.



Source: CapitalIQ

Your Donaco Directors are unable to predict the price at which Donaco Shares will trade in the future, but if the Scheme is not implemented and no Superior Proposal emerges, the Donaco Share price is likely to return to the trading prices observed prior to the Announcement Date, in the absence of favourable market conditions.

(e) **The Scheme Consideration provides Donaco Shareholders with certainty of value and the opportunity to realise their investment for cash, and will avoid any ongoing risks and uncertainties involved in Donaco's operations and future developments**

The Scheme Consideration of A$0.045 in cash per Donaco Share provides Donaco Shareholders with certainty of value for their Donaco Shares. The certainty of the all-cash Scheme Consideration should be compared with the risks and uncertainties associated with remaining a shareholder in Donaco.

When considering the merits of the proposed Scheme, your Donaco Directors gave significant consideration to some key risks facing Donaco (and Donaco Shareholders) if the Scheme is not implemented, including the:

(i) fundraising challenges Donaco currently faces, which are impacting the ability to pursue growth opportunities;

(ii) impact of Thailand's gaming laws and Thailand-Cambodia border control initiatives on revenue growth and competition;

(iii) impact on costs due to Thailand's actions to cut electricity and internet to certain border towns between Thailand and Cambodia, including Poipet;

(iv) dilutive impact of raising additional equity capital; and

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(v) general risks associated with an ASX-listed company with operations in overseas jurisdictions which are subject to changes in law, legislation, regulation and policy.

Some of these risks are explained in more detail in section 7. The Scheme, if implemented, is expected to remove these risks associated with an investment in Donaco. Donaco Shareholders should also have regard to the recent trading history of Donaco Shares, as discussed in section 1.2(d) above.

If the Scheme is not implemented, the value that Donaco Shareholders will be able to realise from their investment in Donaco, through future share price performance and dividends, will necessarily be uncertain and subject to these ongoing risks.

(f) **You will not incur any brokerage charges on the transfer of Donaco Shares if the Scheme proceeds**

If the Scheme is implemented, Donaco Shareholders will not incur brokerage charges on the transfer of their Donaco Shares to ONR under the Scheme. Donaco Shareholders may incur such charges if they dispose of their Donaco Shares in a manner other than that contemplated by the Scheme.

(g) **No Superior Proposal has emerged since the Announcement Date**

Since the Announcement Date and up to the Last Practicable Date, no Superior Proposal has emerged and your Donaco Directors are not aware of, and have not received, any proposal or any approach from any person which they expect is likely to lead to a Superior Proposal.

If a Competing Proposal is received prior to the Scheme Meeting, your Donaco Directors will carefully consider the proposal to determine whether it is a Superior Proposal, subject to the terms of the Scheme Implementation Deed.

Your Donaco Directors will keep you informed if a Superior Proposal emerges before the Scheme Meeting and will make an announcement on ASX in accordance with Donaco's continuous disclosure obligations.

1.3 Reasons why you may choose to vote against the Scheme

Your Donaco Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders.[8]

In addition, the Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of Scheme Shareholders, in the absence of a Superior Proposal.[9]

However, there may be reasons which lead you to consider voting against the Scheme, including those set out below.

[8] In relation to the unanimous recommendation of your Donaco Directors, Donaco Shareholders should note the benefits your Donaco Directors will receive, as described in footnote 1.

[9] Refer to section 1.2(c) for more information in relation to the Independent Expert's conclusion and Annexure E for a complete copy of the Independent Expert's Report.

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(a) **You may disagree with your Donaco Directors' unanimous recommendation and/or the Independent Expert's conclusion**

You may disagree with the unanimous recommendation of your Donaco Directors and/or the conclusion of the Independent Expert, who has concluded that the Scheme is fair and reasonable, and in the best interests of Scheme Shareholders, in the absence of a Superior Proposal. Refer to Annexure E for a copy of the Independent Expert's Report.

(b) **You may prefer to participate in the future financial performance of the Donaco business on a standalone basis or otherwise**

If the Scheme is implemented, you will no longer be a Donaco Shareholder and will forgo any benefits that may result from being a Donaco Shareholder.

This will mean that you will not participate in the future performance of Donaco, retain any exposure to Donaco's business or assets, or have the potential to share in the value that could be generated by Donaco in the future.

(c) **You may believe it is in your best interests to maintain your current investment and risk profile**

You may prefer to keep your Donaco Shares to preserve your investment in a listed public company with the specific characteristics of Donaco. In particular, you may consider that, despite the risk factors relevant to Donaco's potential future operations (including those set out in section 7 of this Scheme Booklet), Donaco may be able to return greater value from its assets by remaining a stand-alone entity, or by seeking alternative corporate transactions in the future. You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of Donaco.

(d) **You may consider there is potential for a Superior Proposal for Donaco to emerge in the future, if Donaco were to continue as a standalone entity**

You may believe that there is a possibility that a Superior Proposal for Donaco could emerge in the foreseeable future. However, between the Announcement Date (being 17 March 2025) and the Last Practicable Date (being 18 June 2025) no Superior Proposal has been received or has otherwise emerged, and your Donaco Directors have no reason to believe that an alternative proposal will ultimately emerge.

If a Superior Proposal emerges, this will be announced to ASX, and your Donaco Directors would carefully consider such Superior Proposal and advise Donaco Shareholders accordingly.[10]

(e) **The tax consequences of the Scheme may not suit your current financial position or tax circumstances**

Implementation of the Scheme may trigger taxation consequences for Donaco Shareholders. A general guide to the Australian taxation implications of the Scheme for certain Donaco Shareholders is set out in section 8.

[10] Donaco is subject to exclusivity provisions under the Scheme Implementation Deed (see section 1.4(d) and paragraph 6 of Annexure A).

All Donaco Shareholders are advised to seek independent professional advice about their particular circumstances, including relevant foreign tax consequences.

1.4 Other considerations

You should also take into account the following additional considerations in deciding whether to vote in favour of, or against, the Scheme.

(a) **Shareholder and Director commitments to the Scheme**

As announced to ASX on 17 March 2025, Donaco's largest shareholder (that is not also a Donaco Director), Mr Lee Bug Tong, and your Donaco Directors, have each confirmed to Donaco that they intend to vote all of the Donaco Shares that they directly or indirectly own or control at the time of the Scheme Meeting in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders.

Mr Lee Bug Tong holds (directly or indirectly) 260,451,477 Donaco Shares (representing 21.08% of the total issued share capital of Donaco) as at the Last Practicable Date.[11]

Your Donaco Directors directly or indirectly own or control, in aggregate, 265,345,881 Donaco Shares (representing an additional 21.48% of the total issued share capital of Donaco) as at the Last Practicable Date.[12]

Mr Lee Bug Tong (and your Donaco Directors) have confirmed to Donaco that this intention:

(i) will be subject to the contents of ASIC's Regulatory Guide 25; and

(ii) does not restrict its ability to exercise its voting rights attached to its Donaco Shares or to dispose of any of its Donaco Shares in its absolute discretion.

The support of Mr Lee Bug Tong (and your Donaco Directors) is an endorsement for the Scheme and, Donaco believes it will contribute meaningfully to the votes required to approve the Scheme at the Scheme Meeting.

However, as is set out in section 1.3 above and despite the views of Donaco Shareholders, there are a number of reasons why an individual Donaco Shareholder may decide not to vote in favour of the Scheme.

Further, the support of Mr Lee Bug Tong (and your Donaco Directors) is subject to the conditions described above and is based on Mr Lee Bug Tong's (and your Donaco Directors') own personal circumstances. Each Donaco Shareholder is encouraged to read this Scheme Booklet in detail and make their own decision as to how to vote.

(b) **Implications for Donaco if the Scheme is not implemented**

If the Scheme is not implemented, Donaco Shareholders will retain their Donaco Shares and will not receive the Scheme Consideration. A summary of the key risks for

[11] See footnote 2.

[12] See footnote 2.

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Donaco and Donaco Shareholders if the Scheme is not implemented is set out in section 7.4.

Transaction-related costs of approximately A$1,739,160 are expected to be incurred by Donaco in the event the Scheme does not proceed. Refer to section 9.9 of this Scheme Booklet for more details.

(c) **Conditions Precedent**

The Scheme is subject to a number of conditions, which are summarised in section 3.5 and paragraph 2 of Annexure A of this Scheme Booklet.

If these conditions are not satisfied or (if permitted) waived (as applicable), the Scheme will not proceed (even if it has been approved by Donaco Shareholders) and Donaco Shareholders will not receive the Scheme Consideration as contemplated under the Scheme.

As at the date of this Scheme Booklet, the Donaco Board is not aware of any matter that would result in the nonfulfillment of the conditions.

(d) **Exclusivity obligations**

The Scheme Implementation Deed provides that Donaco is subject to certain exclusivity obligations and restrictions, including no existing discussions, no shop, no talk and no due diligence, notification obligations, and also provides that ONR has a matching right in respect of Competing Proposals. Refer to Annexure A for further information on these arrangements.

(e) **Break Fees and Reverse Break Fees**

If the Scheme does not become Effective, the Break Fee or the Reverse Break Fee (in either case, being A$500,000 (exclusive of GST)) may become payable by ONR or Donaco (depending on the circumstances). The circumstances in which the Break Fee and the Reverse Break Fee would be payable by ONR or Donaco (as the case may be) are summarised in Annexure A.

(f) **Warranties and agreements by Scheme Shareholders**

Under the Scheme, each Scheme Shareholder is taken to have warranted to Donaco and ONR that:

(i) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred under the Scheme will, at the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any security interests within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;

(ii) they have full power and capacity to transfer their Scheme Shares to ONR together with any rights and entitlements attaching to those Scheme Shares; and

(iii) they have no existing right to be issued any Donaco Shares, options exercisable into Donaco Shares, performance rights, convertible notes or any other Donaco securities.

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(g) **The Scheme may be implemented even if you vote against the Scheme or you do not vote at all**

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Donaco Shareholders and the Court. If this occurs, your Donaco Shares will be transferred to ONR, and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

(h) **You may wish to sell your Donaco Shares on market**

You may wish to sell your Donaco Shares on market before the close of trading on the ASX on the Effective Date (currently expected to be on Friday, 8 August 2025) at the then prevailing market price (which could include prices below, at or above the Scheme Consideration).

If you sell your Donaco Shares on market, you may be required to pay brokerage, and different tax consequences may apply compared to those that would arise if you retained your Donaco Shares until the Scheme is implemented.

(i) **The opinion of the Independent Expert**

Donaco has appointed BDO as the Independent Expert to opine on whether the Scheme is in the best interests of Donaco Shareholders within an Independent Expert's Report. Knight Frank has been appointed as the Independent Property Expert to prepare the Independent Property Expert's Reports contained in the Independent Expert's Report.

A complete copy of the Independent Expert's Report is attached at Annexure E to this Scheme Booklet. You are encouraged to read the Independent Expert's Report in its entirety.

The Independent Expert Report has concluded that the Scheme is fair and reasonable, and in the best interests of Scheme Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the value of a Donaco Share on a controlling interest basis to be in the range of A$0.041 to A$0.064. The Scheme Consideration of A$0.045 per Donaco Share is within this range.

Donaco Shareholders are encouraged to review the Independent Expert Report carefully to understand the basis for the valuation assessment of Donaco.

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2. FREQUENTLY ASKED QUESTIONS

This section answers some questions you may have about the Scheme. It is not intended to be exhaustive or address all relevant issues for Donaco Shareholders and should be read together with all other parts of this Scheme Booklet.

If you have any additional questions about this Scheme Booklet or the Scheme, please either:

- email your question(s) to donaco@fticonsulting.com; or
- call +61 8 6430 1300 between 9.00 am and 5.00 pm (AWST) Monday to Friday, excluding public holidays in Perth.

Question	Answer	More information
OVERVIEW OF THE SCHEME		
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are a Donaco Shareholder and Donaco Shareholders are being asked to vote on the Scheme at the Scheme Meeting. This Scheme Booklet is intended to help you consider and decide how to vote on the Scheme Resolution. Please disregard this Scheme Booklet if you have transferred or disposed of all of your Donaco Shares, as you will not be entitled to vote at the Scheme Meeting.	**Section 4**
What is the Scheme?	The Scheme is a scheme of arrangement between Donaco and the Scheme Shareholders (other than an Excluded Shareholder). A "scheme of arrangement" is a statutory procedure in the Corporations Act that is commonly used in corporate transactions in Australia that may result in a change of ownership or control of a company (typically known as the "target" company). In addition to requiring Court approval under the Corporations Act, a scheme of arrangement must be approved at a scheme meeting by the shareholders of the target company by passing a resolution to implement the scheme of arrangement. The resolution must be passed by specific majorities of votes mandated under the Corporations Act, referred to in this Scheme Booklet as the "**Requisite Majorities**" (as defined in section 10). If the Scheme becomes Effective, ONR will acquire all of the Scheme Shares for the Scheme Consideration, and Donaco will become wholly-owned by ONR.	**Section 3.1 and Annexure B**
What do the Donaco Directors recommend?	The Donaco Directors unanimously recommend all Donaco Shareholders (other than an Excluded Shareholder) vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders.	**Section 3.6**

Question	Answer	More information
	In relation to the unanimous recommendation of your Donaco Directors, Donaco Shareholders should note the arrangements described in section 1.2(a). The decision of Donaco Directors to recommend the Scheme follows a comprehensive assessment by Donaco of the potential benefits and risks of the Scheme. Your Donaco Directors consider that the Scheme has the potential to deliver greater benefits to Donaco Shareholders than any other alternative currently available, including if the Scheme were not to be implemented. Section 1.2 of this Scheme Booklet provides a summary of the reasons why your Donaco Directors consider that Donaco Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders.	
How do the Donaco Directors intend to vote?	Each Donaco Director will, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders, vote or procure the voting of, any Donaco Shares that they directly or indirectly own or control at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting. Details of the Donaco Directors' interests in Donaco Shares are set out in section 9.1 of this Scheme Booklet.	**Section 3.6**
What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of Scheme Shareholders, in the absence of a Superior Proposal. The Independent Expert has assessed the value of a Donaco Share on a controlling interest basis to be in the range of A$0.041 to A$0.064. The Scheme Consideration of A$0.045 per Donaco Share is within this range. The reasons why the Independent Expert reached its conclusion are set out in the Independent Expert's Report, a copy of which is included in Annexure E of this Scheme Booklet. Your Donaco Directors encourage you to read the Independent Expert's Report in full before deciding how to vote on the Scheme. If the Independent Expert changes its conclusion (either in the Independent Expert's Report or any update of it), the Donaco Board will consider the revised opinion and, if the Donaco Board, after consulting with its legal advisers determines that a failure to change its recommendation would be likely to breach the Donaco Directors' fiduciary or statutory obligations, may change its recommendation. In these circumstances, Donaco may terminate the Scheme Implementation Deed.	**Section 3.7 and Annexure E**

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Question	Answer	More information
Have voting intention statements been received from any of Donaco's shareholders?	Yes, Donaco's largest shareholder (who is not also a Donaco Director), Mr Lee Bug Tong, and your Donaco Directors have each confirmed to Donaco that they intend to vote all of the Donaco Shares that they directly or indirectly own or control at the time of the Scheme Meeting in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders. Mr Lee Bug Tong holds (directly or indirectly) 260,451,477 Donaco Shares (representing 21.08% of the total issued share capital of Donaco) as at the Last Practicable Date.[13] Your Donaco Directors directly or indirectly own or control, in aggregate, 265,345,881 Donaco Shares (representing an additional 21.48% of the total issued share capital of Donaco) as at the Last Practicable Date.[14]	**Section 9.4**
What will be the effect of the Scheme?	If the Scheme becomes Effective: (a) all of your Donaco Shares will be transferred to ONR; (b) in exchange, you will receive the Scheme Consideration; and (c) Donaco will be wholly-owned by ONR.	**Section 3**
What are the prospects of receiving a Superior Proposal?	Since the Scheme was announced on 17 March 2025, no Superior Proposal has emerged. Given the time that has elapsed since the announcement of the Scheme, your Donaco Directors' view is that a Superior Proposal is unlikely to emerge prior to the Scheme Meeting. It is possible that, if Donaco were to continue as an independent company, a Superior Proposal for Donaco may emerge in the future.	**Section 1.2(a)**
If I wish to support the Scheme, what should I do?	If you wish to support the Scheme, you should vote in favour of the Scheme Resolution at the Scheme Meeting. See section 4 for details about the Scheme Meeting, directions on how to vote and important voting information generally. If you are a registered Donaco Shareholder and you are unable to attend the Scheme Meeting, you may be entitled to vote by proxy, corporate representative or attorney. Voting by proxy can be completed in one of the following ways: (a) **Online:** At https://www.votingonline.com.au/dnascheme2025.	**Section 4**

[13] See footnote 2.

[14] See footnote 2.

Question	Answer	More information
	(b) **Mobile:** Scan the QR Code on the proxy form provided to you and follow the prompts. (c) **By mail:** Complete and sign the proxy form provided to you and mail the form to Boardroom using the reply-paid envelope or GPO Box 3993, Sydney NSW 2001. (d) **By fax:** Complete and sign the proxy form provided to you and fax the form to +61 2 9290 9655. (e) **In person:** Complete and sign the proxy form provided to you and deliver the proxy form to Boardroom in person at Level 8, 210 George Street, Sydney NSW 2000. Proxy forms must be received no later than 10.00 am (AEST) on Saturday, 2 August 2025. Proxy forms received later than this time will be invalid.	
What are the consequences of the Scheme not being approved?	If the Scheme is not approved by the Requisite Majorities of Donaco Shareholders or by the Court, the Scheme will not become Effective and will not be implemented. In these circumstances, you will remain a Donaco Shareholder. Further, if any other Condition Precedent to the Scheme is not satisfied or waived (where permitted), then in certain circumstances, the Scheme Implementation Deed may be terminated, in which case the Scheme will not be implemented. The consequences of the Scheme not being implemented include (but are not limited to): (a) you will retain your Donaco Shares and continue to be exposed to the risks associated with an investment in Donaco; (b) you will not receive the Scheme Consideration; (c) the Donaco Board and Donaco's management will continue to operate Donaco's business, financial and operating plans it had in place prior to the Announcement Date; (d) the expected benefits of the Scheme (set out in section 1.2) will not be realised; and (e) the price of Donaco Shares traded on ASX may fall, to the extent that the market price of Donaco Shares reflects an assumption that the Scheme will be implemented (although this is difficult to predict with any degree of certainty).	**Sections 3.12 and 7.4**

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Question	Answer	More information
	Further information about the implications and risks for Donaco Shareholders if the Scheme is not implemented is set out in sections 3.12 and 7.4.	
What are the transaction costs associated with the Schemes?	The aggregate amount of the fees and expenses expected to be incurred by Donaco in connection with the Scheme is approximately A$1,999,160 (excluding GST). Of this, approximately A$1,739,160 will be paid irrespective of whether the Scheme becomes Effective (and is implemented). These amounts do not include the transaction costs that may be incurred by ONR in relation to the Scheme.	**Section 9.9**
THE SCHEME CONSIDERATION		
What will I receive if the Scheme is implemented?	Scheme Shareholders (other than an Excluded Shareholder) will receive a cash amount of A$0.045 for each Donaco Share held as at the Scheme Record Date.	**Section 3.2**
When and how will I receive my Scheme Consideration?	You will be eligible to receive the Scheme Consideration if you are a Scheme Shareholder on the Scheme Record Date. Further details about how and when you will be paid are set out in sections 3.2 and 3.3.	**Sections 3.2 and 3.3**
Do I have to give any warranties in relation to my Scheme Shares?	Under the Scheme, each Scheme Shareholder is taken to have warranted to Donaco and ONR that: (a) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred under the Scheme will, at the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any security interests within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; (b) they have full power and capacity to transfer their Scheme Shares to ONR together with any rights and entitlements attaching to those Scheme Shares; and (c) they have no existing right to be issued any Donaco Shares, options exercisable into Donaco Shares, performance rights, convertible notes or any other Donaco securities.	**Section 3.9**
What happens if the market price of Donaco Shares	Donaco Shares will continue normal trading until the close of trading on the ASX on the Effective Date, currently expected to be Friday, 8 August 2025. Until this time, you can sell your Donaco Shares on market at any time at the prevailing market	**Section 1.2(b)**

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Question	Answer	More information
increases or decreases prior to the Implementation Date?	price (which could include prices below, at or above the Scheme Consideration – refer to section 1.2(d) for a discussion of the recent trading history of Donaco Shares and possible implications for Donaco Shareholders). You will not be able to sell your Donaco Shares on market after this time. If you sell your Donaco Shares on market, you may be required to pay brokerage, and different tax consequences may apply compared to those that would arise if you retained your Donaco Shares until the Scheme is implemented. Following the Effective Date, trading of Donaco Shares will cease and: (a) all of your Donaco Shares will be transferred to ONR; (b) (irrespective of movements in the market price of Donaco Shares), you will receive the Scheme Consideration of A$0.045 for each Donaco Share held as at the Scheme Record Date; and (c) Donaco will become wholly-owned by ONR.	
What are the tax implications of the Scheme?	If the Scheme becomes Effective, there will be tax consequences for Scheme Shareholders which may include tax being payable on any gain on the disposal of Donaco Shares. For further general information about the Australian tax consequences of the Scheme for certain Donaco Shareholders, see section 8. The tax treatment may vary depending on your individual circumstances. Donaco encourages you to seek independent professional taxation advice in relation to your particular circumstances.	**Section 8**
THE SCHEME MEETING AND VOTING DETAILS		
Can I vote at the Scheme Meeting?	Each Donaco Shareholder (other than an Excluded Shareholder) who is registered on the Register at 10.00 am (AEST) on Saturday, 2 August 2025 is entitled to attend and vote at the Scheme Meeting.	**Section 4.5 and Annexure D**
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at 10.00 am (AEST) on Monday, 4 August 2025, in person at Ashurst, Level 8, 39 Martin Place, Sydney NSW 2000 and may be viewed online via the live webcast at: https://attendee.gotowebinar.com/register/4518678409270352 23. Please refer to section 4 and the Notice of Scheme Meeting at Annexure D for more instructions on how to attend the Scheme Meeting and how to cast your vote.	**Section 4.4 and Annexure D**

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Question	Answer	More information
What am I being asked to vote on?	You are being asked to vote on whether to approve the Scheme by voting on the Scheme Resolution. The text of the Scheme Resolution is set out in the Notice of Scheme Meeting in Annexure D of this Scheme Booklet.	**Annexure D**
What vote is required to approve the Scheme?	For the Scheme to proceed, the Scheme Resolution must be passed by the Requisite Majorities, which are: (a) (**Headcount Test**) unless the Court orders otherwise, a majority in number (ie more than 50%) of Donaco Shareholders (other than an Excluded Shareholder) present and voting at the Scheme Meeting (either in person, or by proxy, attorney or, in the case of corporate Donaco Shareholders, by corporate representative); and (b) (**voting test**) at least 75% of the total number of votes cast on the Scheme Resolution by Donaco Shareholders (other than an Excluded Shareholder) present and voting at the Scheme Meeting (either in person, or by proxy, attorney, or in the case of corporate Donaco Shareholders, by corporate representative). Even if the Scheme is approved at the Scheme Meeting, the Scheme is still subject to other outstanding Conditions Precedent, including the approval of the Court. The Court has discretion to waive the requirement for the Headcount Test to be passed. If, at the Scheme Meeting, Donaco Shareholder approval for the Scheme is not obtained only by reason of non-satisfaction of the Headcount Test, the Scheme Implementation Deed sets out a process under which either party may apply to the Court for a waiver of the Headcount Test.	**Section 3.8 and Annexure D**
How do I vote?	If you are a Donaco Shareholder entitled to vote at the Scheme Meeting, you may vote: • **in person**: by attending the Scheme Meeting held at Ashurst, Level 8, 39 Martin Place, Sydney NSW 2000; • **by proxy**: by appointing one or two proxies to attend the Scheme Meeting and vote on your behalf, by completing and returning your personalised proxy form or by lodging your proxy form online at https://www.votingonline.com.au/dnascheme2025 in accordance with the instructions given there; • **by attorney**: by appointing an attorney to attend the Scheme Meeting and vote on your behalf, using a duly executed power of attorney; or	**Section 4 and Annexure D**

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Question	Answer	More information
	• **by corporate representative**: in the case of a body corporate, appointing a body corporate representative to attend the Scheme Meeting and vote on your behalf, using a duly executed certificate of appointment of body corporate representative.	
Is voting compulsory?	No, voting is not compulsory. However, your vote is important and your Donaco Directors encourage you to vote. If you cannot attend the Scheme Meeting, you should appoint a proxy, attorney or corporate representative (as applicable) to vote on your behalf. Your Donaco Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders.[15]	**Section 4**
How will voting at the Scheme Meeting be conducted?	Voting at the Scheme Meeting will be conducted by way of a poll. This means that every Donaco Shareholder at the Scheme Meeting who is present, or by proxy, attorney or corporate representative, will have one vote for each Donaco Share held by them.	**Section 4.6 and Annexure D**
What will happen to my Donaco Shares if I do not vote, or vote against the Scheme, and the Scheme becomes Effective?	If you do not vote, or if you vote against the Scheme Resolution at the Scheme Meeting, the Scheme may nevertheless become Effective if the Scheme Resolution is approved by the Requisite Majorities of Donaco Shareholders and each other Condition Precedent is satisfied or waived (where permitted). If the Scheme becomes Effective, your Donaco Shares will be transferred to ONR on the Implementation Date and you will receive the Scheme Consideration of A$0.045 for each Scheme Share. This will occur even if you voted against the Scheme Resolution at the Scheme Meeting.	**Sections 1.4(g) and 4.2**
When will the result of the Scheme Meeting be available?	The results of the Scheme Meeting will be announced to the ASX website (www.asx.com.au) shortly after its conclusion and will also be made available on Donaco's website at (https://www.donacointernational.com).	**-**
VOTING CONSIDERATIONS		
Why might I vote in favour of the Scheme?	Reasons why you might vote in favour of the Scheme are set out in section 1.2 of this Scheme Booklet. Your Donaco Directors consider that the reasons to vote in favour of the Scheme (including those summarised in section	**Section 1.2**

[15] In relation to the unanimous recommendation of your Donaco Directors, Donaco Shareholders should note the benefits your Donaco Directors will receive, as described in footnote 1.

Question	Answer	More information
	1.2) outweigh the potential reasons to vote against the Scheme (including those summarised in section 1.3).	
Why might I vote against the Scheme?	Reasons why you might vote against the Scheme are set out in section 1.3 of this Scheme Booklet.	**Section 1.3**
What happens if a Competing Proposal emerges?	Until the Scheme becomes Effective, there is nothing preventing other parties from making unsolicited acquisition proposals for Donaco. If, during the Exclusivity Period, Donaco or any of its Related Bodies Corporate receives a Competing Proposal and Donaco determines to take action in reliance on the fiduciary duty exception to the no talk and no due diligence restriction in the Scheme Implementation Deed: (a) (**Notification of approaches**) Donaco must notify ONR of the material details of the Competing Proposal (including the consideration, conditions, proposed timetable and break or reimbursement fee (if any)); (b) (**Matching right**) if the Donaco Board determines that the Competing Proposal is a Superior Proposal, ONR will be given a period of at least five clear Business Days during which ONR may (but does not have to) make an equivalent or superior proposal to the terms of the Competing Proposal, and during this period Donaco must not enter into, or agree to enter into, any binding documentation to give effect to the Competing Proposal (subject to certain exceptions); and (c) (**Bidder Counter Proposal**) if the Donaco Board acting in good faith determines that ONR's Counter Proposal would provide an equivalent or superior outcome for Donaco Shareholders than that offered under the Competing Proposal, then Donaco and ONR must use their reasonable endeavours to agree and enter into such documentation to give effect to and implement the Counter Proposal. Donaco will be required to pay the Break Fee of A$500,000 (exclusive of GST) to ONR if (among other things): (a) a Donaco Director does not recommend the Scheme (subject to certain exceptions), or approves, recommends or makes an announcement in support of a Competing Proposal; (b) a Donaco Director does not state that he or she intends to vote any Donaco Shares he or she directly or indirectly owns or controls in favour of the Scheme at the Scheme Meeting (subject to certain exceptions); or	**Annexure A**

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Question	Answer	More information
	(c) a Competing Proposal is announced during the Exclusivity Period and the competing bidder (together with any of its Associates), within 9 months of the Competing Proposal being publicly announced, being received by Donaco or becoming open for acceptance (whichever is earliest), acquires voting power of (or economic interest in) more than 50% of all Donaco Shares and that Competing Proposal is, or becomes, free from any conditions (or if the Competing Proposal is a scheme of arrangement, the scheme becomes effective). Donaco will not be required to pay the Break Fee to ONR if the Scheme becomes Effective notwithstanding the occurrence of any events described above and, if the Break Fee has already been paid it must be refunded by ONR. If a Competing Proposal for Donaco emerges prior to the Second Court Hearing, your Donaco Directors will carefully consider the Competing Proposal and determine whether it is a Superior Proposal. Your Donaco Directors will keep you informed of any material developments regarding Superior Proposals. Further details about the exclusivity provisions in the Scheme Implementation Deed, and the circumstances in which the Break Fee may be payable, are set out in Annexure A.	
CONDITIONS AND IMPLEMENTATION OF THE SCHEME		
What are the conditions to the Scheme?	The Scheme is subject to a number of Conditions Precedent, some of which remain outstanding as at the date of this Scheme Booklet. A summary of the Conditions Precedent is set out in sections 3.5 and paragraph 2 of Annexure A of this Scheme Booklet.	**Section 3.4 and paragraph 2 of Annexure A**
When will the Scheme become Effective?	If: • the Scheme is approved by the Requisite Majorities of Donaco Shareholders at the Scheme Meeting; • the Court makes the Scheme Order at the Second Court Hearing (or following any appeal); and • all of the other Conditions Precedent are satisfied or waived (where permitted), the Scheme will become Effective on the date on which the Scheme Order is lodged with ASIC (this is the **Effective Date**). This is currently expected to occur on Friday, 8 August 2025.	**Section 3.8**

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Question	Answer	More information
What happens on the Implementation Date?	On the Implementation Date: • ONR will acquire all the Scheme Shares and Donaco will become wholly-owned by ONR; and • Scheme Shareholders will be paid the Scheme Consideration. The Implementation Date is currently expected to be Tuesday, 19 August 2025.	**Section 3.8**
When will Donaco Shares cease trading on ASX?	Donaco Shares are expected to cease trading from the close of trading on ASX on the Effective Date (as defined above).	**Section 3.8**
What happens if the Scheme is not implemented?	If the Scheme is not implemented: • you will not receive the Scheme Consideration; and • you will retain your Donaco Shares and continue to have exposure to the benefits and risks associated with an investment in Donaco, and, in the absence of a Competing Proposal: • Donaco will continue to operate as a standalone entity and remain listed on the ASX; and • the price of Donaco Shares traded on ASX may fall, to the extent that the market price for Donaco Shares reflects an assumption that the Scheme will be implemented (although this is difficult to predict with any degree of certainty).	**Sections 1.4(a) and 7.4.**
Can the Scheme Implementation Deed be terminated?	The Scheme Implementation Deed may be terminated in certain circumstances. These are summarised in paragraph 9 of Annexure A. If the Scheme Implementation Deed is terminated, the Scheme will not proceed. In certain circumstances, termination of the Scheme Implementation Deed may trigger payment of a Break Fee or Reverse Break Fee, as applicable. Further detail about the circumstances in which reimbursement fees are payable by Donaco and ONR are set out in paragraph 8 of Annexure A.	**Paragraph 9 of Annexure A**
Is there a Break Fee or Reverse Break Fee payable?	Under the Scheme Implementation Deed, a Break Fee of A$500,000 (exclusive of GST) may become payable by Donaco to ONR, or a Reverse Break Fee may become payable by ONR to Donaco, if certain events occur. The failure to pass the	**Section 1.4(e) and paragraph 8 of Annexure A**

Question	Answer	More information
	Scheme Resolution by the Requisite Majorities will not, by itself, trigger the payment of the Break Fee by Donaco. The circumstances in which Break Fees or Reverse Break Fees are payable by Donaco and ONR are set out in paragraph 8 of Annexure A.	
INFORMATION ABOUT ONR		
Who is ONR?	ONR is a special purpose vehicle incorporated for the purpose of investing in Donaco, and is wholly-owned and managed by Argyle Street Management Limited (**ASM**), a Hong Kong-licensed fund manager incorporated in the British Virgin Islands. ASM was founded in 2002 and is regulated by the Securities and Futures Commission in Hong Kong. ASM is currently managing more than US$2 billion of assets. ASM specialises in special situation investments across Asia. It manages portfolios for clients and pooled investment vehicles, investing in equities, loans, bonds, derivatives, and alternative investments in both public and private markets.	**Section 6.2**
Does the ONR Group have a Relevant Interest in Donaco Shares?	ONR currently holds 158,574,603 or 12.84% of Donaco Shares. These shares have been held by ONR since 20 June 2019, when they were purchased on market by ONR. Further details of the purchase, and of the persons who acquired Relevant Interests in those Donaco Shares, are set out in the corrected Notice of Initial Substantial Holder announcement which was filed by Donaco with ASX on 25 June 2019.	**Section 6.7**
ADDITIONAL INFORMATION		
Can I sell my Donaco Shares now?	You can sell your Donaco Shares on market at any time before close of trading on ASX on the Effective Date at the then prevailing market price (which could include prices below, at or above the Scheme Consideration – refer to section 1.2(d) for a discussion of the recent trading history of Donaco Shares and possible implications for Donaco Shareholders). Donaco intends to apply to ASX for Donaco Shares to be suspended from official quotation on ASX from close of trading on the Effective Date (which is currently expected to be Friday, 8 August 2025). You will not be able to sell your Donaco Shares on market after this time. If you sell your Donaco Shares on market, you may be required to pay brokerage, and different tax consequences may apply compared to those that would arise if you retained your Donaco Shares until the Scheme is implemented.	**Section 3.8**

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Question	Answer	More information
Will I need to pay brokerage or stamp duty?	Scheme Shareholders will not incur any brokerage or stamp duty on the transfer of their Scheme Shares under the Scheme.	**Section 8**
Is there a number that I can call if I have further queries about the Scheme?	If you have any additional questions about this Scheme Booklet or the Scheme, please either: • email your question(s) to donaco@fticonsulting.com; or • call +61 8 6430 1300 between 9.00 am and 5.00 pm (AWST) Monday to Friday, excluding public holidays in Perth.	-

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3. SUMMARY OF THE SCHEME

3.1 Introduction

On 17 March 2025, Donaco announced that it had entered into a Scheme Implementation Deed, under which it is proposed that ONR will acquire all of the issued shares in Donaco pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act.

A summary of the Scheme Implementation Deed is contained in Annexure A of this Scheme Booklet. A full copy of the Scheme is also contained in Annexure B of this Scheme Booklet.

If the Scheme is implemented, ONR will acquire all of the Donaco Shares held by Donaco Shareholders and Donaco will become wholly-owned by ONR. Subject to the Scheme becoming Effective, Donaco will request that ASX remove Donaco from the official list of ASX on the Business Day after the Implementation Date.

The Scheme is subject to various Conditions Precedent, including (among other things), approval by the Requisite Majorities of Donaco Shareholders at the Scheme Meeting, and approval by the Court pursuant to section 411(4)(b) of the Corporations Act on the Second Court Date. For further details of the Conditions Precedent to the Scheme, please see section 3.5 and paragraph 2 of Annexure A.

If the Scheme becomes Effective, Scheme Shareholders will be paid the Scheme Consideration on the Implementation Date.

3.2 Scheme Consideration

If the Scheme becomes Effective, Scheme Shareholders who are registered in the Register on the Scheme Record Date will receive a cash payment of A$0.045 for each Donaco Share held on the Scheme Record Date. The Scheme Consideration will be paid by ONR to Donaco by no later than the Business Day before the Implementation Date, and then paid by Donaco to Scheme Shareholders on the Implementation Date (which is currently expected to be Tuesday, 19 August 2025).

3.3 Payment of the Scheme Consideration

Upon Donaco receiving payment in cleared funds of an amount equal to the Scheme Consideration from ONR (refer to section 3.2 above and section 3.4 below), Donaco will make all payments of the Scheme Consideration to Scheme Shareholders as follows:

(a) where a Scheme Shareholder has nominated a bank account by an appropriate authority from the Scheme Shareholder to Donaco, by transfer to that account; or

(b) otherwise, by cheque dispatched by prepaid post to your Registered Address (provided that your Registered Address is outside of New Zealand).

Scheme Shareholders are encouraged to provide their bank details to the Registry:

(a) **Online via Portal:** At https://www.investorserve.com.au/.

(b) **Online via Form:** By completing the 'Direct Credit Facility' form, which can be found at https://boardroomlimited.com.au/investor-forms/ and submitting it to Boardroom in accordance with the options set out in that form.

For Donaco Shares held in joint names, Donaco will make the payment to the joint holders and will send the relevant amount and any other document required to be sent under the Scheme to the holder whose name appears first in the Register as at the Scheme Record Date, or to the joint holders. You should be aware that if the Scheme Meeting is adjourned or

the Effective Date is otherwise delayed, the cash payments described above may also be delayed.

3.4 Deed Poll

On 18 June 2025, ONR executed a Deed Poll in favour of the Scheme Shareholders, pursuant to which ONR undertakes to:

(a) deposit, or procure the deposit, in cleared funds an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders into a trust account operated by Donaco or the Share Registry as trustee for the Scheme Shareholders; and

(b) observe and perform the steps attributed to them under, and otherwise comply with, the Scheme.

A copy of the Deed Poll is contained in Annexure C of this Scheme Booklet.

3.5 Conditions to the Scheme

Pursuant to the Scheme Implementation Deed, a number of Conditions Precedent must be satisfied or waived (where permitted) before the Scheme can be implemented. Some of the Conditions Precedent include the following:

(a) **Donaco Shareholder approval:** The Scheme is approved at the Scheme Meeting by the Requisite Majorities;

(b) **Independent Expert:** The Independent Expert does not withdraw or qualify its conclusion that the Scheme is in the best interests of Donaco Shareholders in any written update to its Independent Expert's Report at any time prior to 8.00 am on the Second Court Date;

(c) **Court Approval:** The Court makes the Scheme Order;

(d) **Change of control consents:** As at 8.00 am on the Second Court Date, any consent required for the acquisition by ONR of the Scheme Shares under the Scheme, for the purpose of any Authorisation in relation to the Donaco Group which is required in order to operate the business of the Donaco Group as operated as at the date of the Scheme Implementation Deed or any material contract to which a member of the Donaco Group is a party, have been obtained; and

(e) **No regulatory actions:** As at 8.00 am on the Second Court Date, there is not in effect any temporary, preliminary or final decision, order, injunction or decree issued by a court or other Government Agency, or any action or investigation by any Government Agency, in consequence of, or in connection with, the Transaction which restrains, prohibits or impedes the implementation of the Transaction (including the acquisition of any or all of the Scheme Shares by ONR) or any part of it.

The "Change of control consents" Condition Precedent set out in paragraph (d) above has been satisfied as the consents required to allow the acquisition by ONR of the Scheme Shares have been obtained.

As at the Last Practicable Date, your Donaco Directors are not aware of any circumstances which would cause any outstanding Condition Precedent to not be satisfied or waived (where permitted). However, certain of the outstanding Conditions Precedent are outside of the control of Donaco and ONR. The risks associated with a failure to obtain, or a delay in,

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satisfaction or waiver of the Conditions Precedent (and therefore, retaining your shareholding in Donaco) are discussed further in section 7.1.

3.6 Donaco Directors' unanimous recommendation and voting intentions

Your Donaco Directors unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders.[16] Your Donaco Directors will vote or procure the voting of all of the Donaco Shares that they directly or indirectly own or control in favour of the Scheme at the Scheme Meeting, subject to those same qualifications.

In relation to the unanimous recommendation of your Donaco Directors, Donaco Shareholders should note the arrangements disclosed in section 1.2(a).

As at the Last Practicable Date, your Donaco Directors held Relevant Interests in an aggregate of 265,345,881 Donaco Shares, comprising approximately 21.48% of the issued capital in Donaco.[17] See section 9.1 of this Scheme Booklet for more information about the interests of your Donaco Directors in Donaco Shares.

Your Donaco Directors believe that the reasons for you to vote in favour of the Scheme outweigh the reasons to vote against the Scheme. Some of these reasons, and other relevant considerations for Donaco Shareholders, are set out in section 1 of this Scheme Booklet.

3.7 Independent Expert's conclusion

Your Donaco Directors have appointed BDO as the Independent Expert to assess the merits of the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of Scheme Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the value of a Donaco Share on a controlling interest basis to be in the range of A$0.041 to A$0.064. The Scheme Consideration of A$0.045 per Donaco Share is within this range.

The reasons why the Independent Expert reached its conclusion are set out in the Independent Expert's Report, a copy of which is included in Annexure E of this Scheme Booklet. Your Donaco Directors encourage you to read the Independent Expert's Report in full before deciding how to vote on the Scheme.

3.8 Key steps to implement the Scheme

The key steps to implement the Scheme and relevant information concerning these steps are set out below. All dates following the Scheme Meeting are indicative only and may be subject to change. Donaco will announce to ASX any change to the dates in the timetable set out in the "Key Dates and Expected Timetable for the Scheme" section of this Scheme Booklet.

Step 1. Scheme Meeting and Donaco Shareholder approval

At the First Court Hearing, the Court made the requisite orders that the Scheme Meeting should be convened and that this Scheme Booklet (containing the explanatory statement for the Scheme for the purposes of section 412(1) of the

[16] In relation to the unanimous recommendation of your Donaco Directors, Donaco Shareholders should note the benefits your Donaco Directors will receive, as described in footnote 1.

[17] See footnote 2.

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Corporations Act and the Notice of Scheme Meeting) be despatched to Donaco Shareholders.

The Scheme Meeting is scheduled to be held at 10.00 am (AEST) on Monday, 4 August 2025, in person at Ashurst, Level 8, 39 Martin Place, Sydney NSW 2000. Donaco Shareholders may watch a live webcast of the Scheme Meeting online at https://attendee.gotowebinar.com/register/451867840927035223. Donaco Shareholders watching online will not be able to participate in the Scheme Meeting, vote, ask questions, or make comments via the webcast.

Donaco Shareholders who are unable to attend the Scheme Meeting (or choose not to) are strongly encouraged to submit a proxy form as early as possible and in any event by 10.00 am (AEST) on Saturday, 2 August 2025. The Notice of Scheme Meeting (which contains the Scheme Resolution and instructions on how to vote by proxy) is set out in Annexure D of this Scheme Booklet. Further details about how the Scheme Meeting will take place are set out in section 4.4.

At the Scheme Meeting, Donaco Shareholders will be asked to approve the Scheme by voting on the Scheme Resolution. The Requisite Majorities of Donaco Shareholders required to approve the Scheme Resolution are:

(i) (**Headcount Test**) unless the Court orders otherwise, a majority in number (ie more than 50%) of Donaco Shareholders present and voting at the Scheme Meeting (either in person, or by proxy, attorney or, in the case of corporate Donaco Shareholders, by corporate representative); and

(ii) (**voting test**) at least 75% of the total number of votes cast on the Scheme Resolution by Donaco Shareholders present and voting at the Scheme Meeting (either in person, or by proxy, attorney or, in the case of corporate Donaco Shareholders, body corporate representative).

The Excluded Shareholders (including ONR) are not "Donaco Shareholders" for this purpose, and so are not eligible to vote their Donaco Shares at the Scheme Meeting.

Voting on the Scheme Resolution will be conducted by way of a poll. Donaco Shareholders (who are present in person, or by proxy, attorney or corporate representative) will have one vote for each Donaco Share that they hold.

The Court has the power to waive the requirement for the Headcount Test to be passed. If, at the Scheme Meeting, Donaco Shareholder approval for the Scheme is not obtained only by reason of non-satisfaction of the Headcount Test, the Scheme Implementation Deed sets out a process under which the parties may apply to the Court for a waiver of the Headcount Test. Of course, in those circumstances, there is no guarantee that the Court will grant such a waiver.

Guidance on eligibility for voting, and instructions on how to participate in and vote at the Scheme Meeting, are set out in section 4 and the Notice of Scheme Meeting in Annexure D of this Scheme Booklet. Voting is not compulsory, however, your vote is important and your Donaco Directors encourage you to vote by attending the Scheme Meeting in person, or alternatively by appointing a proxy, attorney or corporate representative in accordance with the instructions in section 4.6.

The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and announced to the ASX (www.asx.com.au).

Any postponement or adjournment of the Scheme Meeting will be announced to ASX.

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Steps 2 to 5 described below will only occur if the Scheme Resolution is approved by the Requisite Majorities at the Scheme Meeting.

Step 2. Second Court Hearing and Court approval of the Scheme

Donaco will apply to the Court for an order approving the Scheme (known in this Scheme Booklet as the "Scheme Order") if:

(i) the Scheme Resolution is approved by the Requisite Majorities at the Scheme Meeting (including where the requirement to pass the Headcount Test is waived by the Court); and

(ii) all of the other Conditions Precedent that are capable of satisfaction or waiver (where permitted) by the Second Court Date have been satisfied or waived by that time.

Donaco's application to the Court to grant the Scheme Order will be heard by the Court at the Second Court Hearing. The Second Court Hearing is expected to take place on Thursday, 7 August 2025 (referred to in this Scheme Booklet as the **Second Court Date**). The Court may refuse to approve the Scheme even if the Scheme Resolution is approved by the Requisite Majorities of Donaco Shareholders.

ASIC has been requested to issue a written statement indicating that it has no objection to the Scheme. Typically, ASIC provides this statement shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

Any Donaco Shareholder and, with the Court's permission, any other interested person, has a right to seek leave to appear at the Second Court Hearing to oppose the approval of the Scheme by the Court, or to make submissions to the Court in relation to the Scheme. If you wish to oppose approval of the Scheme by the Court at the Second Court Hearing, you may do so by filing with the Court, and serving on Donaco, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Donaco at least one Business Day prior to the Second Court Date.

If the Court refuses to make any orders or confirmations for the purposes of approving the Scheme, Donaco may appeal the Court's decision.

Step 3. Effective Date and Suspension of Trading in Donaco Shares

If the Court makes the Scheme Order at the Second Court Hearing (or following any appeal), Donaco will lodge an office copy of the Scheme Order with ASIC. Once lodged, the Scheme will become Effective and binding on Donaco and ONR and each Scheme Shareholder (the date of lodgement of the Scheme Order with ASIC is referred to in this Scheme Booklet as the **Effective Date**).

If the Scheme becomes Effective, Donaco will:

- notify ASX of that fact and lodge a copy of the Scheme Order with ASX; and
- apply to ASX to suspend trading of Donaco Shares from close of trading on the Effective Date.

It is expected that trading in Donaco Shares on ASX will be suspended from close of trading on the Effective Date. If the Scheme Order is made (and the Second Court Hearing occurs on the expected date), the Effective Date is expected to be Friday, 8 August 2025.

Once the Scheme becomes Effective, each Scheme Shareholder, without the need for any further act, irrevocably appoints Donaco and each of its directors, officers and secretary (jointly and each of them severally) as its attorney and agent for the purposes of enforcing the Deed Poll against ONR and executing any document or doing any other act necessary, desirable or expedient to give full effect to the Scheme and the transactions contemplated by it. This includes executing a proper instrument of transfer in respect of a Scheme Shareholder's Scheme Shares.

Step 4. Scheme Record Date and entitlement to Scheme Consideration

Only those Donaco Shareholders on the Register on the Scheme Record Date (currently expected to be 5.00 pm (AEST) on Tuesday, 12 August 2025) will be entitled to receive the Scheme Consideration in respect of the Donaco Shares they hold at that time.

(i) **Dealings in Donaco Shares on or prior to the Scheme Record Date**

To establish the identity of the Scheme Shareholders, dealings in Donaco Shares or other alterations to the Register will only be recognised if:

(A) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Donaco Shares on or before the Scheme Record Date; and

(B) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before 5.00 pm (AEST) on the day on which the Scheme Record Date occurs at the place where the Register is kept.

Donaco will not accept for registration, nor recognise for any purpose (except a transfer to ONR pursuant to the Scheme and any subsequent transfer by ONR or its respective successors in title) any transfer or transmission application or other request received after the Scheme Record Date, or received prior to the Scheme Record Date but not in registrable or actionable form, as appropriate.

(ii) **Dealings in Donaco Shares after the Scheme Record Date**

If the Scheme becomes Effective, each Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date, otherwise than pursuant to the Scheme, and any attempt to do so will have no effect and Donaco will be entitled to disregard any such disposal.

For the purposes of determining entitlements to the Scheme Consideration, Donaco must maintain the Register in its form as at the Scheme Record Date. The Register in this form will solely determine entitlements to the Scheme Consideration.

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After the Scheme Record Date:

(A) all statements of holding for the Donaco Shares (other than statements of holding in favour of ONR) will cease to have effect as documents of title in respect of those shares; and

(B) each entry current at that date on the Register (other than entries on the Register in respect of ONR) will cease to have effect, except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

Step 5. Implementation

The Implementation Date for the Scheme is the date which is five Business Days after the Scheme Record Date (unless otherwise ordered by the Court or agreed between Donaco and ONR). ONR must, no later than the Business Day before the Implementation Date, deposit or procure the deposit in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders, into an Australian dollar denominated trust account operated by Donaco or the Share Registry as trustee for the Scheme Shareholders.

Subject to provision of the Scheme Consideration by ONR in the manner contemplated above, on the Implementation Date, Donaco will:

(i) pay or procure the payment of such amount of cash as is due to each Scheme Shareholder as Scheme Consideration;

(ii) execute on behalf of Scheme Shareholders, proper instruments of transfer and effect of the Scheme Shares to ONR; and

(iii) register all transfers of the Scheme Shares to ONR.

3.9 Deemed warranties by Scheme Shareholders

Under the Scheme, each Scheme Shareholder is taken to have warranted to Donaco and ONR that:

(a) all of their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred under the Scheme will, at the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any security interests within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;

(b) they have full power and capacity to transfer their Scheme Shares to ONR together with any rights and entitlements attaching to those shares; and

(c) they have no existing right to be issued any Donaco Shares, options exercisable into Donaco Shares, performance rights, convertible notes or any other Donaco securities.

3.10 Delisting from ASX

If the Court approves the Scheme and the Scheme is implemented, Donaco will apply to ASX to have Donaco removed from the official list of ASX, and quotation of Donaco Shares on the ASX terminated, with effect on and from the close of trading on the Trading Day immediately following the Implementation Date (unless otherwise directed by ONR).

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3.11 End Date

The Scheme Implementation Deed may be terminated by either party if any of the Conditions Precedent are not satisfied by the End Date. Additionally, the Scheme may be terminated by either party if the Effective Date for the Scheme has not occurred by 11.59 pm (AEST) on the End Date (currently 16 September 2025, unless extended in accordance with the Scheme Implementation Deed).

The right to terminate is subject to a requirement that the parties consult in good faith to determine if the Transaction can proceed by alternative means.

3.12 Implications if the Scheme is not implemented

If the Scheme is not implemented:

(a) unless Donaco Shareholders choose to sell their Donaco Shares on the ASX, Donaco Shareholders will continue to hold their Donaco Shares and will be exposed to general risks as well as risks specific to Donaco, including those set out in section 7 of this Scheme Booklet;

(b) Donaco Shareholders will not receive the Scheme Consideration;

(c) a Break Fee of A$500,000 (exclusive of GST) may be payable by Donaco to ONR, and a Reverse Break Fee (in the same amount) may be payable by ONR to Donaco, in certain circumstances. Those circumstances do not include (in respect of the Break Fee) the failure by Donaco Shareholders to approve the Scheme at the Scheme Meeting. Further information regarding reimbursement fees is set out in section 1.4(e) and paragraph 8 of Annexure A.

(d) transaction-related costs of approximately A$1,739,160 are expected to be incurred by Donaco irrespective of whether or not the Scheme is ultimately implemented. Further details of the estimated fees and expenses in relation to the Scheme are set out in section 9.9;

(e) Donaco will continue to operate as a standalone, ASX-listed entity with management continuing to implement the business, financial and operating plans it had in place prior to the Announcement Date; and

(f) the price of Donaco Shares traded on ASX may fall, to the extent that the market price of Donaco Shares reflects an assumption that the Scheme will be implemented (although this is difficult to predict with any degree of certainty).

Further information about the risks to Donaco Shareholders if the Scheme is not implemented is set out in section 7.4.

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4. YOUR CHOICE AS A DONACO SHAREHOLDER AND HOW TO VOTE AT THE SCHEME MEETING

4.1 What you should do

You should carefully read this Scheme Booklet in its entirety before deciding whether to vote in favour of the Scheme.

Donaco Shareholders should refer to sections 1.2 and 1.3 of this Scheme Booklet for further guidance on the reasons to vote for and against the Scheme, and to section 1.4 for other important considerations relating to your vote. As noted elsewhere in this Scheme Booklet, this Scheme Booklet does not take into account the investment objectives, financial situation and particular needs of any individual Donaco Shareholder.

There are answers to questions you might have in section 2.

If you have any additional questions about this Scheme Booklet or the Scheme, please either:

- email your question(s) to donaco@fticonsulting.com; or
- call +61 8 6430 1300 between 9.00 am and 5.00 pm (AWST) Monday to Friday, excluding public holidays in Perth.

If you require further advice in relation to the Scheme, contact your legal, financial, taxation or other professional adviser.

Anyone entitled to attend the Scheme Meeting may obtain a free paper copy of this Scheme Booklet upon request to Donaco following a request in writing via email: enquiries@boardroomlimited.com.au.

4.2 Your choices as a Donaco Shareholder

As a Donaco Shareholder, you have four choices currently available to you, which are as follows:

Action	Description
Vote in favour of the Scheme	This is the course of action unanimously recommended by the Donaco Directors, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders.[18] To follow the Donaco Directors' unanimous recommendation, you should vote in favour of the Scheme at the Scheme Meeting. For a summary of how to vote on the Scheme, please refer to this section 4 and the Notice of Scheme Meeting contained in Annexure D of this Scheme Booklet.
Vote against the Scheme	If, despite the Donaco Directors' unanimous recommendation and the Independent Expert's conclusion (that the Scheme is fair and reasonable, and in the best interests of Donaco Shareholders, in the

[18] In relation to the unanimous recommendation of your Donaco Directors, Donaco Shareholders should note the benefits your Donaco Directors will receive, as described in footnote 1.

Action	Description
	absence of a Superior Proposal), you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting. However, if all the Conditions Precedent for the Scheme are satisfied or waived (if capable of waiver) and the Scheme becomes Effective, the Scheme will bind all Donaco Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting and those who do not vote at all.
Sell your Donaco Shares on the ASX	The Scheme does not preclude you from selling some or all of your Donaco Shares on market for cash, if you wish, provided you do so before close of trading on the ASX on the Effective Date (currently expected to be Friday, 8 August 2025), when trading in Donaco Shares will end. If you are considering selling some or all of your Donaco Shares: • you should have regard to the prevailing trading prices of Donaco Shares and compare those to the Scheme Consideration. You may ascertain the current trading prices of Donaco Shares through the ASX website (www.asx.com.au); and • you should contact your stockbroker for information on how to effect that sale, and you should also contact your financial, taxation, legal or other professional adviser. Donaco Shareholders who sell some or all of their Donaco Shares on market: • may receive payment (which may vary from the Scheme Consideration) for the sale of their Donaco Shares sooner than they would receive the Scheme Consideration under the Scheme; • may incur a brokerage charge; • will not be able to participate in the Scheme or, if one emerges, a Superior Proposal, in respect of those Donaco Shares they have sold; and • may be liable for tax on the disposal of their Donaco Shares (as they also may be under the Scheme – see section 8 of this Scheme Booklet).
Do nothing	Donaco Shareholders who elect not to vote at the Scheme Meeting on Monday, 4 August 2025 or do not sell their Donaco Shares on market will: • if the Scheme is implemented – have their Donaco Shares transferred to ONR by operation of the Scheme and receive the Scheme Consideration; or

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Action	Description
	• if the Scheme is not implemented – retain their Donaco Shares.

4.3 Your vote is important

For the Scheme to proceed, the Scheme Resolution must be approved by the Requisite Majorities at the Scheme Meeting.

Your Donaco Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders.[19]

If you are unable to attend the Scheme Meeting, your Donaco Directors recommend that you lodge your proxy via one of the below methods:

(a) **Online:** At https://www.votingonline.com.au/dnascheme2025.

(b) **Mobile:** Scan the QR Code on the proxy form provided to you and follow the prompts.

(c) **By mail:** Complete and sign the proxy form provided to you and mail the form to Boardroom using the reply-paid envelope or GPO Box 3993, Sydney NSW 2001.

(d) **By fax:** Complete and sign the proxy form provided to you and fax the form to +61 2 9290 9655.

(e) **In person:** Complete and sign the proxy form provided to you and deliver the proxy form to Boardroom in person at Level 8, 210 George Street, Sydney NSW 2000.

Proxy forms must be received no later than 10.00 am (AEST) on Saturday, 2 August 2025. Proxy forms received later than this time will be invalid.

4.4 Details of the Scheme Meeting

The Scheme Meeting will be held at 10.00 am (AEST) on Monday, 4 August 2025, in person at Ashurst, Level 8, 39 Martin Place, Sydney NSW 2000. Donaco Shareholders may watch a live webcast of the Scheme Meeting online at https://attendee.gotowebinar.com/register/4518678409270352 23.

Donaco Shareholders watching online will not be able to participate in the Scheme Meeting, vote, ask questions, or make comments via the webcast.

Additional details about the proceedings at the Scheme Meeting are set out in section 3.8 and in the Notice of Scheme Meeting contained in Annexure D of this Scheme Booklet. Please note that the Scheme Meeting may be postponed or adjourned if satisfaction or waiver of a Condition Precedent (where permitted) is delayed. Any postponement or adjournment of the Scheme Meeting will be announced to ASX.

4.5 Entitlement to vote

Each Donaco Shareholder (other than an Excluded Shareholder) who is entered on the Register at 10.00 am (AEST) on Saturday, 2 August 2025 will be entitled to attend and vote at the Scheme Meeting, by proxy or attorney, or in the case of a corporate Donaco

[19] In relation to the unanimous recommendation of your Donaco Directors, Donaco Shareholders should note the benefits your Donaco Directors will receive, as described in footnote 1.

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Shareholder, by a body corporate representative. Share transfers registered after that time will be disregarded in determining voting entitlements at the Scheme Meeting.

Details about the permitted methods of voting are set out in section 4.6 and in Annexure D of this Scheme Booklet.

4.6 How to vote

Voting on the Scheme Resolution will be conducted by way of a poll.

If you are a Donaco Shareholder entitled to vote at the Scheme Meeting, you may vote:

- **in person**: by attending the Scheme Meeting held at Ashurst, Level 8, Martin Place, Sydney NSW 2000 and vote during the meeting;
- **by proxy**: by appointing one or two proxies to attend the Scheme Meeting and vote on your behalf, by completing and returning your personalised proxy form (or by lodging your proxy form online at https://www.votingonline.com.au/dnascheme2025 in accordance with the instructions given there);
- **by attorney**: by appointing an attorney to attend the Scheme Meeting and vote on your behalf, using a duly executed power of attorney; or
- **by corporate representative**: in the case of a body corporate, appointing a body corporate representative to attend the Scheme Meeting and vote on your behalf, using a duly executed certificate of appointment of a body corporate representative through https://boardroomlimited.com.au/investor-forms/.

Further information on how to vote using each of these methods is contained in the Notice of Scheme Meeting attached as Annexure D to this Scheme Booklet.

If you are in favour of the Scheme, you should vote in favour of the Scheme.

The Scheme will not be implemented unless the Scheme is approved by the Requisite Majorities of Donaco Shareholders at the Scheme Meeting.

4.7 How to ask questions

Donaco Shareholders who would like to ask questions at the Scheme Meeting are invited to do so in writing before the Scheme Meeting:

(a) **Email:** by emailing their question(s) to enquiries@boardroomlimited.com.au;

(b) **Online:** by submitting their question(s) in the relevant section when lodging their online proxy at https://www.votingonline.com.au/dnascheme2025; or

(c) **Mail:** by mailing a letter with their question(s) together with their hard copy proxy form,

in each case prior to 10.00 am (AEST) on Saturday, 2 August 2025.

Donaco Shareholders and their authorised proxies, attorneys and corporate representatives attending the Scheme Meeting in person will have the opportunity to ask questions or make comments to the Donaco Board during the Scheme Meeting. More information regarding how to participate in the Scheme Meeting is set out in the Notice of Scheme Meeting attached as Annexure D to this Scheme Booklet.

Due to time constraints, Donaco cannot guarantee that all questions asked prior to or at the Scheme Meeting will be answered.

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5. OVERVIEW OF DONACO

5.1 Donaco's assets and operations

(a) **Overview of operations**

Donaco was founded in 2002, and was listed on the ASX in 2013 by way of a reverse takeover of ASX-listed company Two Way Limited (ASX:TTV). Donaco operates leisure and entertainment businesses across the Asia Pacific region.

Donaco currently operates two key businesses:

(i) **Star Vegas Resort & Club:** Donaco's owns and operates the Star Vegas Resort & Club, a casino and hotel complex located in Poipet, Cambodia, bordering Thailand. The Star Vegas Resort & Club was established in 1999 and currently has 39 gaming tables, 532 slot machines and 383 hotel rooms. Donaco acquired the Star Vegas Resort & Club on 1 July 2015, and it is now held by Donaco's wholly-owned subsidiary, DNA Star Vegas Co. Ltd (incorporated in Cambodia).

(ii) **Aristo International Hotel:** Donaco also owns and operates the Aristo International Hotel, a boutique casino located in northern Vietnam, on the border of Yunnan Province, China. Established in 2002, the Aristo International Hotel is a five-star resort complex currently with 393 hotel rooms, eight gaming tables, and a licence allowing 150 slot machines and 150 video gaming machines. Donaco holds a 95% interest in the Lao Cai International Hotel Joint Venture Company Limited (**Lao Cai JVC**), which owns and operates the Aristo International Hotel. The remaining 5% is held by Lao Cai Lottery One-Member Company Limited, on behalf of the Government of Vietnam. Further information in relating to the Joint Venture Agreement is set out in section 5.2 below.

(b) **Property interests**

(i) **Star Vegas Resort & Club:** Lee Hoe Property Co., Ltd (as landlord) and DNA Star Vegas Co., Ltd (as tenant) entered into an amended perpetual lease agreement on 1 January 2024 in relation to the land underlying the Star Vegas Resort and Club. The amended lease grants Donaco security of tenure over the land underlying the Star Vegas Resort and Club until 30 June 2115. The leasehold land is approximately 115,098 square metres located in Kbal Spean Village, Poipet Commune, Or Chrov District, Banteay Mean Chey Province, Cambodia. Under the perpetual lease agreement, the lease is for a period of 41 years and 6 months (until 30 June 2065) and will automatically renew for another 50 years.

(ii) **Aristo International Hotel:** Lao Cai JVC has an operating lease commitment with the People's Committee of Lao Cai province over a 50-year term in respect of the land underlying the Aristo International Hotel premises in Lao Cai, Vietnam which currently comprises a total area of 44,595.6 square metres. The Aristo International Hotel is located at 028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province, Vietnam. The lease commenced on 8 April 2011 and will expire at the end of March 2061. The lease is exempt from payments from commencement until May 2025, which includes the construction period of the Aristo International Hotel. Lease payments will commence in June 2025.

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(iii) **Lao Cai International Hotel:** Lao Cai JVC owns the Lao Cai International Hotel, a boutique 34 room hotel with 8 gaming tables in the north of Vietnam. The Lao Cai International Hotel is currently vacant and was operated by Lao Cai JVC prior to construction and operation of the Aristo International Hotel. The leasehold land is 2,988 square metres located on Dang Chau Street, Coc Leu Ward, Lao Cai City, Lao Cai Province, Vietnam. The lease is for a period of 30 years and will expire on 2 November 2033.

(iv) **Office premises:** Donaco Holdings SND BHD (as tenant) entered into a new lease agreement with Ng Kheng Fatt (as landlord) in relation to Donaco's office premises in Kuala Lumpur, Malaysia. The lease agreement commenced on 1 January 2024 and is for a period of 2 years, with a one year option to renew.

(c) **Licences**

(i) **Star Vegas Resort & Club:** The Star Vegas Resort & Club holds a licence to operate the casino dated 28 July 2022. The casino licence is allocated to DNA Star Vegas Co., Ltd and can be renewed indefinitely, provided the minimum capital requirements of at least KHR 400 billion are satisfied within specified time periods in line with Sub-Decree No. 166 on the Minimum Capital Requirement for Casino Operation.[20] The casino licence was renewed on 19 August 2022, and will expire on 31 December 2026. Further detail in relation to the minimum capital requirements can be found in Donaco's annual reports.

(ii) **Aristo International Hotel:** Lao Cai JVC holds a licence issued by the People's Committee of Lao Cai Planning & Investment Department dated 14 September 2017 (**Investment Registration Certificate**) to operate a hotel, restaurant, casino and entertainment complex in Lao Cai, being the Aristo International Hotel. The Investment Registration Certificate permits the following:

(A) Construction and operation of a hotel business - first issuance of the investment certificate is dated 18 March 2011 and is for a 50 year term, expiring on 18 March 2061.

(B) Casino and game operations – first investment license is dated 19 July 2002 and is for a 30 year term, expiring on 19 July 2032. Donaco currently expects it will apply for the renewal of the licence before its expiry on 19 July 2032. Whilst there is no guarantee that the licence will be renewed after 19 July 2032, Donaco is not currently aware of any reason why it would not be renewed. The licence permits the Aristo International Hotel to operate no more than 150 slot machines, 150 video game machines and 8 gaming tables.

(C) Operate a beer garden - issuance date of the second amendment investment registration certificate is 6 June 2017 and is for a 40 year term, expiring on 6 June 2057.

[20] Following the promulgation of the Law on the Management of Commercial Gambling in November 2020, the Royal Government of Cambodia issued on 26 August 2021 Sub-Decree No. 166 on the Minimum Capital Requirement for Casino Operation. This sub-decree sets out the definition of "capital" and the minimum capital requirements for new and existing casino operators in Cambodia, which apply to both stand-alone casinos and casinos within integrated resorts.

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(D) Operation of a duty free shop - issuance date of the third amendment investment registration certificate is 14 September 2017 and is for a 40 year term, expiring on 14 September 2057.

5.2 Joint Venture Agreement

As noted in section 5.1 above, Lao Cai JVC's operations are governed by a Joint Venture Agreement dated 21 February 2017 (**JV Agreement**) between Lao Cai Lottery One-Member Company Ltd (a Vietnamese Government entity) and Donaco Singapore Private Ltd. Lao Cai JVC owns and operates the Aristo International Hotel in Vietnam.

The key terms of the JV Agreement are:

(a) the parties broadly agree to pursue two investment projects through Lao Cai JVC, as follows:

(i) the first project includes the construction and operation of a five-star hotel and recreation centre in Yet Kieu Street, Kim Tan Ward, Lao Cai City, Lao Cai Provision, being what is currently the Aristo International Hotel. The term of this investment project is 50 years from 18 March 2011 (prior to the date of the JV Agreement); and

(ii) the second project is that Lao Cai JVC will manage and operate a casino investment project under which it will establish an entertainment centre for bonus entertainment services (being casino operations) exclusively for foreigners. The term of the casino investment project is 30 years from 19 July 2002,

noting that Lao Cai JVC will be dissolved as a company if the investment projects above expire without extension and Lao Cai JVC does not implement any other investment projects;

(b) Donaco holds a 95% interest in the Lao Cai JVC, with the remaining 5% held by Lao Cai Lottery One-Member Company Ltd, on behalf of the Government of Vietnam; and

(c) a party to the JV Agreement may only assign their interest in Lao Cai JVC if they first offer to sell their interest to the other joint venture participant. If the non-selling joint venture participant does not wish to acquire the interest within 30 days from the date it was offered, the interest in Lao Cai JVC may then be offered to a third party.

In addition to the JV Agreement, Lao Cai JVC operates in accordance with the International Hotel Joint Venture Company Ltd Charter dated 21 February 2017, the Investment Registration Certificate, the enterprise registration certificate issued by the Business Registration Office of Lao Cai Department of Planning and Investment and the laws of Vietnam.

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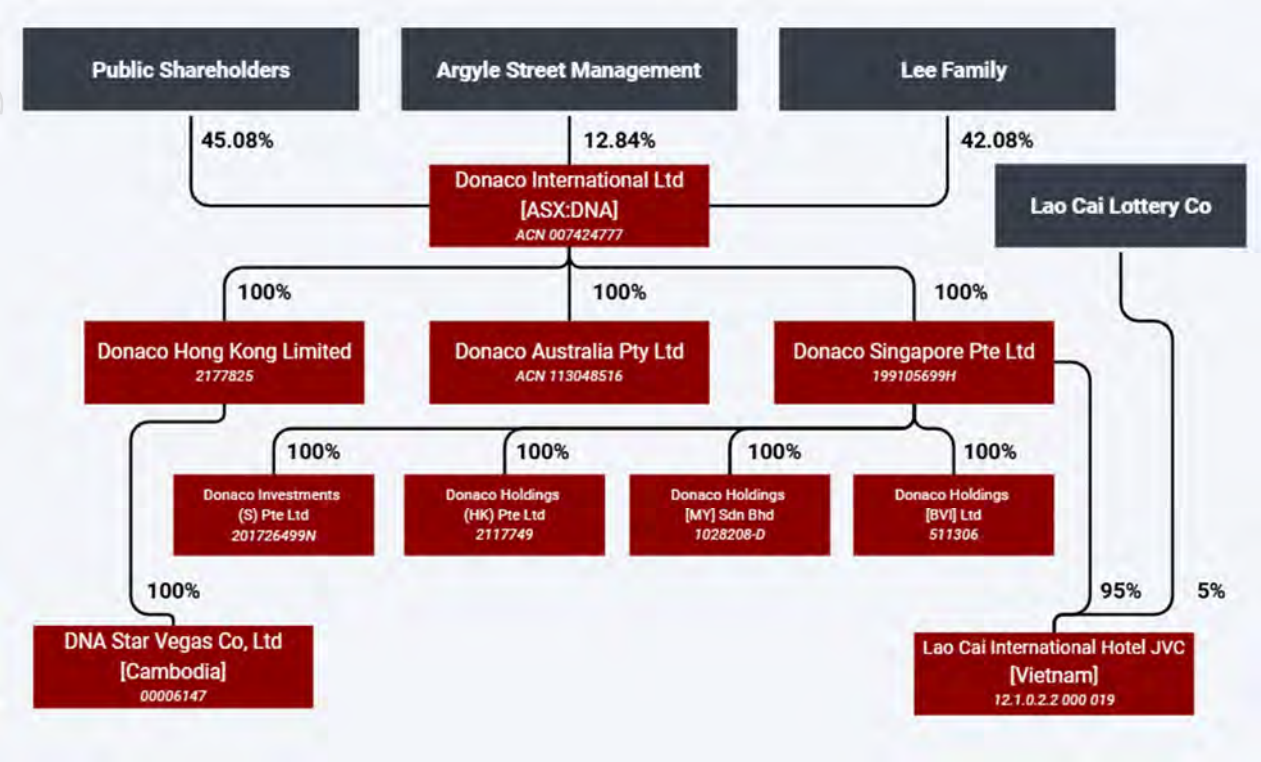
5.3 Corporate Structure of Donaco

Figure 5: Donaco's Corporate Structure



Note: The Lee Family comprises Mr Lee Bug Tong and Mr Lee Bug Huy, a Donaco Director, who together hold (directly or indirectly) 519,902,953 Donaco Shares, representing an aggregate Relevant Interest of 42.08% of Donaco's total issued share capital as at the Last Practicable Date. Each of Mr Lee Bug Tong and Mr Lee Bug Huy individually controls the votes attached to 21.08% of Donaco's total issued share capital as at the Last Practicable Date.[21]

5.4 Donaco Board and senior management

(a) **Donaco Board**

As at the date of this Scheme Booklet, the Donaco Board comprises:

Name	Position
Porntat Amatavivadhana	Non-Executive Chairman
Techatut Sukcharoenkraisri (also known as Lee Bug Huy)	Executive Director & Chief Executive Officer
Roderick Sutton	Non-Executive Director
Andrew Phillips	Non-Executive Director
Issaraya Intrapaiboon	Non-Executive Director

[21] See footnote 2.

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More information about the Donaco Board, including their biographies, can be found at: https://www.donacointernational.com/board-and-management.

(b) **Senior management**

As at the date of this Scheme Booklet, Donaco's senior management team comprises the members of the Donaco Board listed above, together with Gordon Lo who holds the position of Chief Financial Officer.

5.5 Donaco securities and capital structure

(a) **Donaco securities on issue**

As at the Last Practicable Date, the capital structure of Donaco comprised of the following securities:

Type of security	Number on issue
Donaco Shares	1,235,389,382[22]

No other securities in Donaco were on issue as at the Last Practicable Date.

(b) **Substantial shareholders**

Based on publicly available information, as at the Last Practicable Date, Donaco had received notifications from the following substantial shareholders in accordance with section 671B of the Corporations Act:

Name	Number of Donaco Shares	Percentage shareholding[23]
On Nut Road Limited	158,574,603	12.84%
Lee Bug Huy and Lee Bug Tong	519,902,953	42.08%

Note: Mr Lee Bug Huy, a Donaco Director, and Mr Lee Bug Tong, together hold Relevant Interests in 519,902,953 Donaco Shares, representing an aggregate of 42.08% of Donaco's total issued share capital as at the Last Practicable Date. Each of Mr Lee Bug Huy and Mr Lee Bug Tong individually controls the votes attached to 21.08% of Donaco's total issued share capital as at the Last Practicable Date.[24]

[22] 1,696,042 Donaco Shares are held by Equity Plan Services Pty Ltd (formerly Smartequity Eis Pty Ltd), the trustee for the Donaco Employee Share Trust, for the benefit of future and current Donaco employees. These shares are referred to as "treasury shares" in Donaco's publicly available information.

[23] % shareholding based on the number of Donaco Shares on issue on the Last Practicable Date.

[24] See footnote 2.

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(c) **Top 20 Donaco Shareholders**

Based on Donaco's Register as at the Last Practicable Date, the top 20 Donaco Shareholders held approximately 88.61% of the Donaco Shares, as set out in the following table:

	Name	Number of Donaco Shares	Percentage shareholding[25]
1.	HSBC Custody Nominees (Australia) Limited	238,323,593	19.29%
2.	On Nut Road Limited	158,574,603	12.84%
3.	Lee Bug Huy	149,051,830	12.07%
4.	Lee Bug Tong	149,051,830	12.07%
5.	Citicorp Nominees Pty Limited	91,156,209	7.38%
6.	BNP Paribas Noms Pty Ltd	66,704,452	5.40%
7.	BNP Paribas Nominees Pty Ltd	42,549,133	3.44%
8.	Warbont Nominees Pty Limited	38,574,184	3.12%
9.	Mr Teck Lee Patrick Tan	38,232,459	3.09%
10.	J P Morgan Nominees Australia Pty Limited	32,519,566	2.63%
11.	Palm Beach Nominees Pty Limited	22,094,498	1.79%
12.	BNP Paribas Noms Pty Ltd	18,676,781	1.51%
13.	Neweconomy Com Au Nominees	9,860,074	0.80%
14.	TA Securities Holdings Berhad	7,559,313	0.62%
15.	Mr Timothy John Eakin <ESTATE LATE VJA FLYNN A/C>	6,000,000	0.49%
16.	Hatim Taiy Pty Limited <V J A FLYNN SETTLEMENT A/C>	5,616,500	0.45%
17.	Berger Equities Pty Limited	5,500,000	0.45%

[25] % shareholding based on the number of Donaco Shares on issue on the Last Practicable Date.

	Name	Number of Donaco Shares	Percentage shareholding[25]
18.	Mr Danko Dragicevic	5,004,576	0.41%
19.	BNP Paribas Nominees Pty Ltd	4,850,282	0.39%
20.	Mrs Sri Adhithiyah Ashok	4,651,162	0.38%
	Total	**1,094,651,045**	**88.61%**

5.6 Corporate governance

The directors and management of Donaco are committed to conducting the business of Donaco in accordance with the highest standards of corporate governance. Donaco has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (**Recommendations**) to the extent appropriate to the size and nature of its operations.

On 26 September 2024, Donaco released its Corporate Governance Statement to ASX, which sets out the corporate governance practices that were in operation during FY24 and identifies and explains any Recommendations that were not followed (**Corporate Governance Statement**). The Corporate Governance Statement is available on ASX's website at www.asx.com.au and the various corporate governance policies can be found at: https://www.donacointernational.com/irm/content/corporate-governance1.aspx?RID=449.

5.7 Financing arrangements

There are two unsecured loan facilities between Donaco and Mr Lee Bug Huy, Donaco's Chief Executive Officer and Executive Director. The first loan facility of US$7,800,000 is due to be repaid by 22 July 2027, being six years from the date of first drawdown under the facility. The second loan facility of US$5,000,000 is due to be repaid by 13 May 2026, being four years from the date of first drawdown under the facility.

As at the Last Practicable Date, US$6,843,845 has been drawn down on the loans, leaving an unutilised portion of US$5,956,155.

Mr Lee Bug Huy, as the lender, may at any time require early repayment with a minimum of one month's prior notice. Mr Lee Bug Huy has provided Donaco with a letter of financial support which states that he will not withdraw or call upon the loan, should it affect any creditors of Donaco and its subsidiaries in a detrimental way. This financial support has been provided for a minimum period of 24 months from the date of issue of the financial statements for the six months ended 31 December 2024.

Donaco has no other current loan facilities or financing arrangements other than as described in this section 5.7.

5.8 Historical financial information

This section 5.8 contains financial information relating to Donaco for FY23, FY24 and HY25.

The financial information in this section 5.8 is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only. The information has been extracted from the audited financial reports of Donaco for FY23 and FY24 and the audit-reviewed financial report for HY25.

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(a) **Basis of interpretation**

The historical financial information of Donaco presented is in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. Accordingly, Donaco recommends that Donaco Shareholders read the following in conjunction with the financial statements of Donaco for the respective periods including the description of the significant accounting policies contained in those financial statements and the notes to those financial statements (copies of which are available on Donaco's website at https://www.donacointernational.com and on ASX's website at www.asx.com.au).

The historical financial information of Donaco has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards. The historical financial information in this Scheme Booklet is presented on a standalone basis and accordingly does not reflect any impact of the Scheme.

(b) **Consolidated statement of profit or loss and other comprehensive income**

The following table presents the historical consolidated statement of profit or loss and other comprehensive income for the half-year period ended 31 December 2024, and the full financial years ended 30 June 2023 and 30 June 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FULL YEAR ENDED 30 JUNE 2023, 30 JUNE 2024 AND HALF YEAR ENDED 31 DECEMBER 2024

	Consolidated Entity		
	HY25	**FY24**	**FY23**
Revenue			
Revenue	21,831,906	39,531,111	24,327,480
Other income	-	4,102,847	-
Net foreign exchange gain	332,169	-	-
Total revenue and other income	**22,164,075**	**43,633,958**	**24,327,480**
Expenses			
Food and beverages	(709,775)	(1,280,362)	(947,287)
Gaming taxes	(1,125,547)	-	-
Employee benefits expense	(4,653,298)	(8,679,316)	(6,739,423)
Depreciation and amortisation expense	(2,974,254)	(6,535,293)	(7,331,105)
Impairment reversal / (expense)	-	19,818,670	(26,739,077)
Legal and compliance	(309,297)	(785,452)	(586,330)
Marketing and promotions	(310,788)	(650,163)	(975,121)
Professional and consultants	(257,724)	(580,115)	(546,815)
Property costs	(1,411,867)	(2,808,432)	(1,960,583)

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FULL YEAR ENDED 30 JUNE 2023, 30 JUNE 2024 AND HALF YEAR ENDED 31 DECEMBER 2024

Telecommunications and hosting	(21,893)	(71,258)	(119,977)
Gaming costs	(772,193)	(694,453)	(975,759)
Administrative expenses	(715,616)	(1,554,926)	(1,761,257)
Net loss on foreign exchange	-	(444,083)	(300,208)
Other expenses	(125,652)	(229,291)	(105,444)
Taxation fines and penalties	-	(129,466)	(8,958,403)
Finance costs	(891,524)	(1,690,359)	(2,361,955)
Total expenses	**(14,279,428)**	**(6,314,299)**	**(60,408,744)**
Profit / (loss) before income tax benefit / (expense)	**7,884,647**	**37,319,659**	**(36,081,264)**
Income tax benefit / (expense)	60,398	965,145	(2,333,937)
Profit / (loss) after income tax benefit / (expense) for the year / period	**7,945,045**	**38,284,804**	**(38,415,201)**
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	17,641,902	(5,747,513)	5,188,214
Other comprehensive (loss) / income for the year / period, net of tax	17,641,902	(5,747,513)	5,188,214
Total comprehensive income / (loss) for the year / period	**25,586,947**	**32,537,291**	**(33,226,987)**
Profit / (loss) for the year / period is attributable to:			
Non-controlling interest	175,902	1,222,449	(1,665,482)
Owners of Donaco International Limited	7,769,143	37,062,355	(36,749,719)
	7,945,045	**38,284,804**	**(38,415,201)**
Total comprehensive income / (loss) for the year / period is attributable to:			
Non-controlling interest	175,902	1,222,449	(1,665,482)
Owners of Donaco International Limited	25,411,045	31,314,842	(31,561,505)
	25,586,947	**32,537,291**	**(33,226,987)**

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FULL YEAR ENDED 30 JUNE 2023, 30 JUNE 2024 AND HALF YEAR ENDED 31 DECEMBER 2024

Earnings / (loss) per share for profit / (loss) attributable to the owners of Donaco International Limited			
Basic earnings / (loss) per share (cents per share)	0.63	3.00	(2.98)
Diluted earnings / (loss) per share (cents per share)	0.63	3.00	(2.97)

(c) **Consolidated statement of financial position**

The following table presents the historical consolidated statement of financial position as at 31 December 2024, 30 June 2023 and 30 June 2024.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FULL YEAR ENDED 30 JUNE 2023, 30 JUNE 2024 AND HALF YEAR ENDED 31 DECEMBER 2024

	Consolidated Entity		
	HY25	**FY24**	**FY23**
Current assets			
Cash and cash equivalents	36,260,185	29,299,453	16,723,912
Trade and other receivables	399,195	297,362	133,718
Inventories	837,856	967,519	613,028
Other current assets	638,856	650,021	406,575
Total current assets	**38,136,092**	**31,214,355**	**17,877,233**
Non-current assets			
Property, plant and equipment	168,278,438	154,587,265	148,862,035
Intangibles (including licences)	14,988,576	13,666,701	13,813,889
Construction in progress	551,426	516,448	350,757
Deferred tax assets	132,331	113,657	69,478
Other non-current assets	1,875,307	756,569	782,863
Total non-current assets	**185,826,078**	**169,640,640**	**163,879,022**
Total assets	**223,962,170**	**200,854,995**	**181,756,255**
Current liabilities			
Trade and other payables	25,216,357	23,489,414	31,700,850
Lease liabilities	18,319	16,449	3,802
Borrowings	11,008,276	15,917,640	18,325,650

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FULL YEAR ENDED 30 JUNE 2023, 30 JUNE 2024 AND HALF YEAR ENDED 31 DECEMBER 2024

Income tax payable	818,775	773,159	1,735,719
Employee benefits	173,703	151,335	168,891
Total current liabilities	**37,235,430**	**40,347,997**	**51,934,912**
Non-current liabilities			
Trade and other payables	40,667	23,830	21,038
Lease liabilities	7,896,353	7,280,395	9,134,823
Total non-current liabilities	**7,937,020**	**7,304,225**	**9,155,861**
Total liabilities	**45,172,450**	**47,652,222**	**61,090,773**
Net assets	**178,789,720**	**153,202,773**	**120,665,482**
Equity			
Issued capital	372,584,126	372,584,126	372,584,126
Reserves	54,859,410	37,217,508	46,334,275
Accumulated losses	(250,013,526)	(257,782,669)	(298,214,278)
Equity attributable to the owners of Donaco International Limited	177,430,010	152,018,965	120,704,123
Non-controlling interest	1,359,710	1,183,808	(38,641)
Total equity	**178,789,720**	**153,202,773**	**120,665,482**

(d) **Consolidated statement of cash flows**

The following table presents the historical consolidated statement of cash flows for the half year period ended 31 December 2024, and the full financial years ended 30 June 2023 and 30 June 2024.

CONSOLIDATED STATEMENT OF CASH FLOWS

FULL YEAR ENDED 30 JUNE 2023, 30 JUNE 2024 AND HALF YEAR ENDED 31 DECEMBER 2024

	Consolidated Entity		
	HY25	**FY24**	**FY23**
Cash flow from operating activities			
Receipts from customers	25,563,208	46,837,853	28,138,036
Payments to suppliers and employees	(9,429,934)	(29,191,174)	(14,757,603)
	16,133,274	**17,646,679**	**13,380,433**
Interest received	28,980	1,052	391
Lease interest paid	(165,175)	-	-

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CONSOLIDATED STATEMENT OF CASH FLOWS

FULL YEAR ENDED 30 JUNE 2023, 30 JUNE 2024 AND HALF YEAR ENDED 31 DECEMBER 2024

Interest and other finance costs paid	-	(172,486)	(50,377)
Government levies, gaming taxes, income taxes and GST	(4,381,270)	(2,444,832)	(3,745,817)
Net cash flows from operating activities	**11,615,809**	**15,030,413**	**9,584,630**
Cash flow from investing activities			
Payments for property, plant and equipment	(752,069)	(331,509)	(134,118)
Proceeds from disposal of property, plant and equipment	(14,362)	-	25,676
Net cash flows used in investing activities	**(766,431)**	**(331,509)**	**(108,442)**
Cash flow from financing activities			
Proceeds from borrowings	-	1,029,578	6,482,025
Repayment of borrowings	(5,589,960)	(3,479,302)	(5,760,396)
Payments for principal elements of lease	(4,348)	(7,716)	-
Net cash flows (used in) / from financing activities	(5,594,308)	(2,457,440)	721,629
Net increase in cash and cash equivalents	5,255,070	12,241,464	10,197,817
Cash and cash equivalents, beginning of the financial year / period	29,299,453	16,723,912	6,092,656
Effects of exchange rate changes on cash and cash equivalents	1,705,662	334,077	433,439
Cash and cash equivalents at the end of the financial year / period	**36,260,185**	**29,299,453**	**16,723,912**

5.9 Material changes in Donaco's financial position

As reported to ASX on 28 February 2025, Donaco delivered a strong performance in the first half of FY25, with earnings growth and robust financial management benefiting the Donaco Group. Donaco recorded net revenue of A$21.83 million, representing a 12.2% increase over the previous corresponding period (1H FY24: A$19.45 million), and EBITDA of A$11.39 million, a 17.0% increase on the previous corresponding period (1H FY24: A$9.73 million).

The Donaco Group's net profit after tax was A$7.77 million, a 36.3% rise on the previous corresponding period (1H FY24: A$5.70 million).

Other than:

(a) the accumulation of profits / losses in the ordinary course of trading; and

(b) as disclosed in this Scheme Booklet (including section 5.14 below) or as otherwise disclosed to ASX by Donaco,

to the knowledge of the Donaco Directors, the financial position of Donaco has not changed materially since 31 December 2024, being the last date of the period to which the financial statements for HY25 relate.

Copies of Donaco's periodic reports can be obtained from Donaco's website at https://www.donacointernational.com, ASX's website at www.asx.com.au and from Donaco free of charge following a request in writing via email: donaco@fticonsulting.com received before the Scheme is approved by the Court.

5.10 Donaco Directors' intentions for the business

The Corporations Regulations require a statement by the Donaco Directors of their intentions regarding Donaco's business. If the Scheme is implemented, ONR has stated that it intends to reconstitute the Donaco Board as appropriate for such an entity.[26]

It is for the reconstituted Donaco Board to determine its intentions as to:

(a) the continuation of the business of Donaco or how the existing business will be conducted;

(b) any major changes to be made to the business of Donaco; or

(c) the future employment of the present employees of Donaco,

and accordingly, it is not possible for the Donaco Directors to provide such a statement.

ONR's intentions if the Scheme is implemented are set out in section 6.6.

If the Scheme does not proceed, and no Superior Proposal emerges, the Donaco Board intends to continue with the business, financial and operating plans it had in place prior to the Announcement Date.

5.11 Recent Donaco Share price performance

Donaco Shares are listed on ASX under the ASX code 'DNA'.

On 14 March 2025, being the last Trading Day prior to the announcement of Donaco entering into the Scheme Implementation Deed with ONR, Donaco Shares closed at A$0.0300 per Donaco Share.

From announcement of entry into the Scheme Implementation Deed to 18 June 2025 (being the **Last Practicable Date**), the closing Donaco Share price on ASX has ranged from A$0.0350 to A$0.0440.

Over the six months prior to the announcement of Donaco entering into the Scheme Implementation Deed with ONR on 17 March 2025, Donaco Shares traded between a low of

[26] Refer to section 6.6(c).

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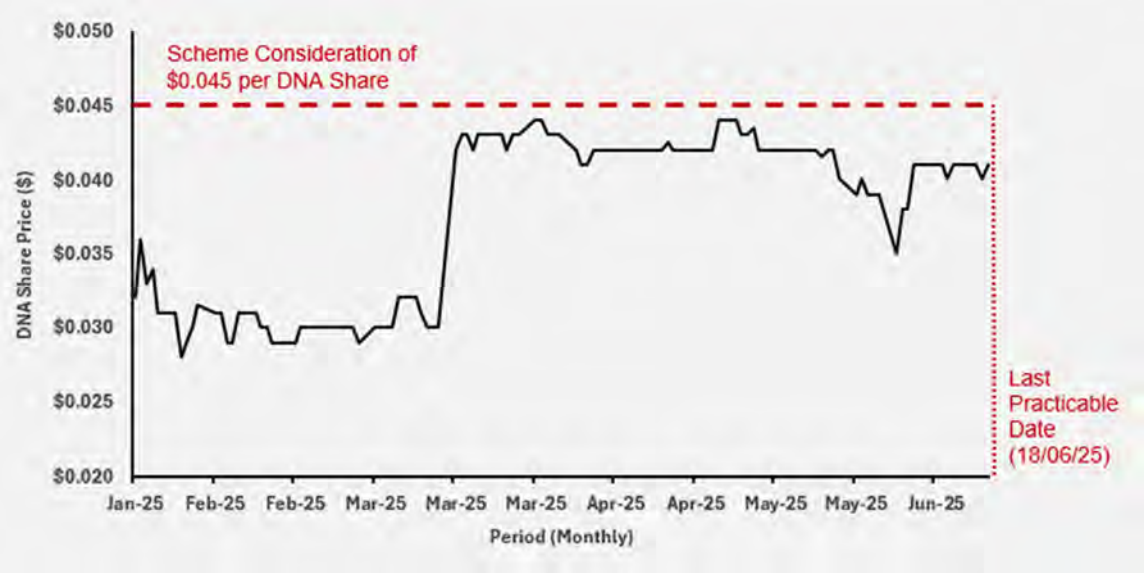
A$0.026 per Donaco Share on 12 November 2024 and a high of A$0.036 per Donaco Share on 21 January 2025.

The graph below shows the share price performance of Donaco Shares over the 6 months prior to the Last Practicable Date, relative to the Scheme Consideration of A$0.045.

Figure 2: Donaco's trading performance in the six months prior to the Last Practicable Date



Source: Iress

5.12 Public information available for inspection

Donaco is a disclosing entity as defined in the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Broadly, these require Donaco to announce price-sensitive information as soon as it becomes aware of the information, subject to exceptions for certain confidential information. Donaco is also required to prepare and lodge with ASIC and ASX both annual and half-year financial statements.

Further announcements concerning Donaco will continue to be made available on ASX's website after the date of this Scheme Booklet.

Copies of the documents filed with ASX may be obtained from Donaco's website at https://www.donacointernational.com, or free of charge following a request in writing to Donaco at any time before the Scheme Meeting. Copies of documents filed with ASX may also be obtained from ASX's website at www.asx.com.au. Copies of the documents lodged with ASIC in relation to Donaco may be obtained from, or inspected via, ASIC's online registry portal ASIC Connect at www.asicconnect.asic.gov.au including at ASIC's self-service kiosks at ASIC's service centres, or obtained from Donaco following a request in writing to Donaco at any time before the Scheme Meeting.

5.13 Litigation

At the date of this Scheme Booklet, to the best knowledge of the Donaco Directors, Donaco is not involved in any litigation or dispute which is material in the context of Donaco and its subsidiaries taken as a whole, except as set out below:

(a) **Decision No. 15/QD-TCT from the Vietnamese General Department of Taxation:** On 30 January 2023, Lao Cai JVC received Decision No. 15/QD-TCT from the

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Vietnamese General Department of Taxation (**GDT**) requiring payment of tax collections and penalties primarily associated with the determination of tax payable for floating chips in relation to the Aristo International Hotel. The decision was issued after an inspection was conducted by the tax authorities for the fiscal years ended 30 June 2019, 30 June 2020 and 30 June 2021.

Lao Cai JVC lodged an application to appeal the decision, but on 9 July 2024 Lao Cai JVC received Decision No. 1593/QD-BTC from the GDT stating that they rejected Lao Cai JVC's appeal application. In October 2024, Lao Cai JVC lodged a complaint with the People's Court of Hanoi City and was granted leave to initiate legal proceedings to challenge the basis and validity of the GDT's decision.

In January 2025, representatives of Lao Cai JVC attended two dialogue meetings with the GDT at the Hanoi People's Court to discuss the appeal. On 20 February 2025, the Hanoi People's Court issued a notice stating that the legal proceedings would be transferred to the People's Court of Lao Cai Province. On 28 February 2025, the People's Court of Lao Cai Province confirmed acceptance of the proceedings. The matter was initially listed for hearing on 2 June 2025, however, has now been postponed with the new trial date yet to be confirmed.

As at 31 December 2024, the potential liability of this matter is approximately VND 139,325,683,086, which could impact the financial position of Donaco if the GDT's decision that floating chips are to be treated as taxable revenue is not overturned.

Since September 2024, Lao Cai JVC has been making payments to the GDT to reduce the potential liability of this matter. These payments may be offset against future tax liabilities if Lao Cai JVC's appeal is successful.

In the event of an unfavourable verdict, a letter of financial support provided by Mr Lee Bug Huy states that in addition to not withdrawing the loan advance, Mr Lee Bug Huy will continue to finance the operations of the Donaco Group (including the payment of the tax payables, penalties and interests on Lao Cai JVC) if the Donaco Group is unable to settle the payment when it falls due.

5.14 Potential liabilities and obligations

To the best knowledge of the Donaco Directors, the following potential liabilities or obligations may materially affect the financial position of Donaco since 31 December 2024, being the last date of the period to which the financial statements for HY25 relate.

(a) **Prakas No. 1080 dated 30 December 2022:** On 30 December 2022, the Ministry of Economy and Finance of Cambodia issued Prakas No. 1080 MEF.PRK, titled *Rules and Procedures for the Implementation of Tax Obligations for Commercial Gambling Companies* (**Prakas No. 1080**), which applies to tax obligations for the commercial gambling industry in Cambodia. Prakas No. 1080 applies to self-declaration regime taxpayers who operate commercial gambling businesses. Previously, the self-declaration tax regime was interpreted to apply solely to the non-gaming business activities of commercial gambling companies.

The tax obligation under Prakas No. 1080 is relevant to the Star Vegas Resort & Club as it subjects gaming revenue, defined as gross gaming revenue (**GGR**), to the following tax obligations:

(i) value added tax (**VAT**) at the rate of 10%;

(ii) a 1% monthly prepayment of tax on income (**TOI**); and

(iii) annual TOI.

In addition to the above obligations, a separate mandatory contribution of 7% on GGR remains payable to the Commercial Gambling Management Commission (**CGMC**). Notably, the 10% VAT imposed on GGR is not creditable against the CGMC payment.

The prior administration of the Cambodian Government had deferred commencement of the Prakas No. 1080 tax requirements until at least the end of 2024. In January 2025, the Cambodian General Department of Taxation (**Cambodian GDT**) convened a seminar addressing the tax obligations of commercial gambling operators. During this forum, Cambodian GDT officials confirmed—albeit orally—that, effective January 2025, all casino operators are required to begin complying with the tax measures stipulated under Prakas No. 1080. This includes the 10% VAT on GGR, the 1% prepayment tax, and the applicable TOI.

A joint meeting was later held by the CGMC and Cambodian GDT on 10 March 2025. The meeting reiterated the obligation of casinos to comply with Prakas No. 1080 starting from 1 January 2025.

Significant engagement with the Cambodian Government on the issue has been ongoing throughout 2025. On 26 February 2025, Donaco sent a letter to the Cambodian GDT requesting an extension to declare VAT on GGR. The Cambodian GDT issued a written response on 2 April 2025 rejecting the request. Additionally, the Cambodian GDT asserted that DNA Star Vegas Co. Ltd must comply with Prakas No. 1080, and all other related laws and regulations on taxation under the Kingdom of Cambodia.

Legal advice obtained by the Donaco Group on 2 May 2025 made it clear that a liability to pay the new tax on GGR does exist in respect of gaming revenue earned since 1 January 2025, notwithstanding that no tax assessment has yet been rendered on Donaco.

Should that liability actually crystalise, Donaco estimates that the reduction in post-tax earnings for the Donaco Group would be significant.

Further detail in relation to Prakas No. 1080 and the impact on the Donaco Group can be found in Donaco's ASX announcement on 9 May 2025 which is available on ASX's website at www.asx.com.au and on Donaco's website at www.donacointernational.com/ASX-Releases.

(b) **Impact of Thailand border restrictions on the Star Vegas Resort & Club operations:** Cambodia and Thailand have a long-standing history of disputes over mutual borders due to conflicting territorial claims. Following a brief military clash on 28 May 2025, tensions along the border between Thailand and Cambodia have heightened. While both governments have expressed a commitment to resolving the border tensions, bilateral talks between Thailand and Cambodia, which were held on 14 June 2025, did not ultimately result in a resolution.

As at the Last Practicable Date, whilst the situation is relatively calm, underlying disputes persist, and the Thai government continues to impose measures impacting movements across the border which came into effect on 8 June 2025. Restrictions impacting the Star Vegas Resort & Club include:

(i) reduced operating hours at key border crossings, including the Aranyaprathet-Poipet border checkpoint; and

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(ii) Thailand's ban on Thai nationals crossing the border for non-essential travel, such as for tourism and gambling in casinos located in Cambodian border towns, including Poipet.

As a result of these measures, the Star Vegas Resort & Club has observed a reduction in activity at its operations. This trend is expected to impact Star Vegas Resort & Club's profits for the month of June.

Further detail in relation to the impact of the Thailand border restrictions on the Star Vegas Resort & Club and the Donaco Group can be found in Donaco's ASX announcement on 16 June 2025 which is available on ASX's website at www.asx.com.au and on Donaco's website at www.donacointernational.com/ASX-Releases.

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6. OVERVIEW OF ONR GROUP

6.1 Introduction

This section 6 forms part of the ONR Material and has been prepared by, and is the responsibility of, the ONR Group. This section 6 contains information relating to the ONR Group and outlines how the ONR Group is funding the Scheme Consideration and its intentions in relation to Donaco.

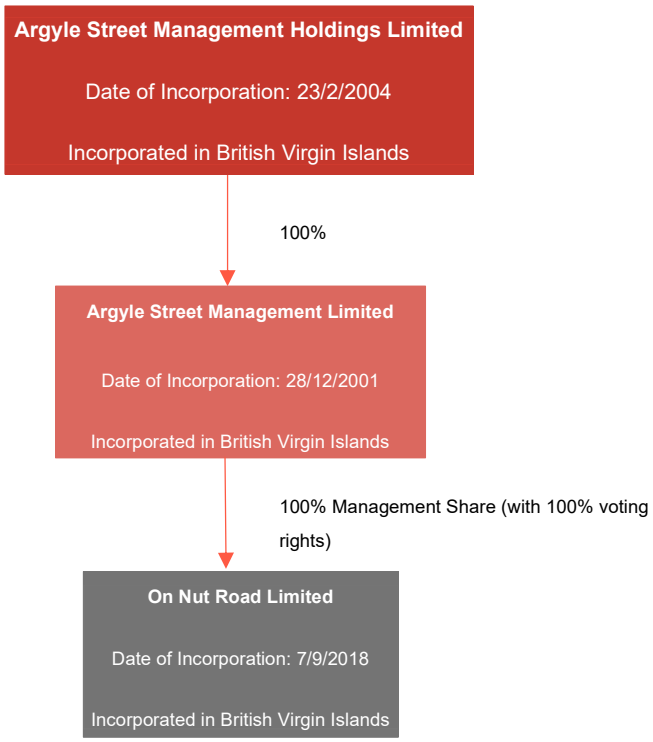
6.2 Overview of ONR and the ONR Group

ONR is a special purpose vehicle incorporated for the purpose of investing in Donaco, and is wholly-owned and managed by ASM, a Hong Kong-licensed fund manager incorporated in the British Virgin Islands.

ASM was founded in 2002 and is regulated by the Securities and Futures Commission in Hong Kong. ASM is currently managing more than US$2 billion of assets. ASM specialises in special situation investments across Asia. It manages portfolios for clients and pooled investment vehicles, investing in equities, loans, bonds, derivatives, and alternative investments in both public and private markets.

6.3 ONR corporate structure and ONR Board

(a) **Corporate structure of ONR**



(b) **ONR Board**

The ONR Board comprises:

Name	Position
Adriatic Sea Management Limited	Sole Director of ONR

Name	Position
	Adriatic Sea Management Limited, a limited liability company incorporated in the British Virgin Islands, is the sole director of ONR. Adriatic Sea Management Limited is wholly-owned by ASM Advisors Limited, also a British Virgin Island-incorporated limited liability company, which in turn is wholly-owned by Argyle Street Management Holdings Limited. Mr Kin Chan is the authorised director Adriatic Sea Management Limited.

(c) **ASM board**

At the date of this Scheme Booklet, ASM's directors are:

Name	Position	Biography
Kin Chan	Director	Mr. Chan is the founder and controlling shareholder of Argyle Street Management Limited, and has been the Chief Investment Officer since inception in 2002. A.B. degree, Princeton University MBA, Wharton School of the University of Pennsylvania.
V-Nee Yeh	Director	Mr. Yeh is a co-founder and the chairman of Argyle Street Management Limited. Williams College Juris Doctor, School of Law at Columbia University.
Angie Li	Director	Ms Li has held directorships and other roles across the financial services industry. Bachelor of Arts and Bachelor of Science, University of California at Berkeley Master of Arts in Economics, Columbia University.
Aubrey Li	Director	Mr Li is an experienced businessman and banker in Greater China.

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Name	Position	Biography
		Civil Engineering, Brown University MBA, Columbia University

6.4 Rationale for ONR's proposed acquisition of Donaco

The proposed acquisition of Donaco is intended to provide an exit opportunity for Donaco Shareholders. The proposed acquisition of Donaco is also consistent with ONR's strategy of diversifying its portfolio.

ONR and its investors will benefit from the acquisition of Donaco by way of cost reductions resulting from completion of the Transaction (such as no longer having ASX listing fees and associated ASX compliance costs), access to management expertise that can be provided or introduced by ONR and ASM, and diversification into the markets and client bases in the gaming and entertainment sector in Asia where Donaco currently operates.

6.5 Funding arrangements for the Scheme Consideration

(a) **Cash consideration**

Donaco has 1,235,389,382 shares on issue at the Last Practicable Date. Of these, ONR owns 158,574,603 Donaco Shares. Therefore, the Scheme Shares are expected to amount to 1,076,814,779 Donaco Shares. The amount of Scheme Consideration payable for the Scheme Shares if the Scheme becomes Effective will be approximately $48.5 million, based on a cash payment of $0.045 for each Scheme Share held by a Scheme Shareholder.

The Scheme is not subject to any financing condition precedent.

ONR has undertaken in favour of each Scheme Shareholder that it will observe and perform all obligations contemplated of ONR under the Scheme, including the relevant obligations relating to the payment of the Scheme Consideration.

For further details regarding ONR and the obligations under the Deed Poll, see section 3.4. A copy of the Deed Poll is reproduced in Annexure C.

(b) **Overview of funding arrangements**

At the Last Practicable Date, ONR cash reserves totalled approximately A$50 million held in its account at DBS Bank (Hong Kong) Limited.

As the cash reserves of ONR exceeds the maximum amount of the Scheme Consideration and associated costs, ONR is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will have sufficient funds available to fund the payment of the Scheme Consideration and related Transaction costs.

6.6 ONR's intentions if the Scheme is implemented

(a) **Overview**

If the Scheme is implemented, ONR will become the holder of all Scheme Shares, and accordingly, Donaco will become a wholly-owned subsidiary of ONR.

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This section sets out ONR's current intentions with respect to Donaco if the Scheme is implemented in relation to:

(i) the continuation of the business of Donaco;

(ii) the future employment of the present employees of Donaco; and

(iii) any major changes to be made to the business of Donaco.

The intentions and statements of future conduct set out in this section 6.6 must be read as being subject to the law (including the Corporations Act) as well as the legal obligations of Donaco's Directors at the time.

These intentions are based on facts and information concerning Donaco made available by Donaco to ONR and the general business environment known to ONR at the time of preparation of this Scheme Booklet. ONR does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess all of the operational, commercial, tax and financial implications of its current intentions. Final decisions in relation to these matters will only be reached after ONR has had an opportunity to undertake a detailed review of the Donaco Group's business following implementation of the Scheme. Accordingly, the intentions described below are statements of current intentions only and may change as new information becomes available or as circumstances change.

(b) **Business and operations**

If the Scheme is implemented:

(i) ONR intends to undertake a review of the Donaco Group's operations, assets and structure to evaluate its performance, prospects and strategy; and

(ii) ONR may undertake a corporate restructure of the ONR Group (including Donaco), which may involve winding up Donaco or distributing Donaco's assets to ONR as its sole shareholder, in order to facilitate direct holding of Donaco's operating subsidiaries by ONR.

ONR will only make final decisions regarding these matters following the completion of its review of Donaco's business based on the facts and circumstances at the time. Subject to the review noted above, ONR intends to operate the Donaco Group's business in its current form in the near term. ONR expects to work with Donaco's management team to optimise the prospects and operating performance of the business.

(c) **Donaco Board**

If the Scheme is implemented, ONR intends to reconstitute the Donaco Board to be more appropriate for a wholly-owned subsidiary of ONR. ONR currently intends that all current Donaco Directors will remain on the Donaco Board following implementation, at least for a transitional period, and ONR will also seek to appoint additional directors at that time as well. At the Last Practicable Date, ONR has identified Wui Hang Liu, Yan Ho Leo Chan and Kurkye Wong as the additional directors that it may appoint to the Donaco Board if the Scheme is successfully implemented. When Donaco is converted to a proprietary company (which ONR intends to do following delisting – see section 6.6(e) below) the number of the current

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Directors who will remain on the Donaco Board may reduce, including because Donaco will then require fewer Australian resident directors.

(d) **Employees and management team**

ONR recognises that the Donaco employees and management are an integral part, and key to the success, of Donaco's business. ONR believes that the acquisition of Donaco will offer opportunities for Donaco's employees and management team as the business grows.

If the Scheme is implemented, ONR will undertake a review to ensure that Donaco has the appropriate mix and level of employees and skills to enhance the business of the business going forward. ONR may seek to make changes to employee and management roles as a result of Donaco no longer being a listed entity. However, no specific plans in relation to any potential changes to the employees or senior management team at Donaco have been determined.

(e) **Donaco to be delisted**

If the Scheme is implemented, it is intended that on or around the day following the Implementation Date, ONR will request to ASX that Donaco is removed from the official list of the ASX. It is also the intention that following delisting, Donaco will be converted from a public company to a proprietary company limited by shares.

6.7 Interests in Donaco Shares

ONR currently holds 158,574,603 or 12.84% of Donaco Shares. These shares have been held by ONR since 20 June 2019, when they were purchased on market by ONR.

Further details of the purchase, and of the persons who acquired Relevant Interests in those Donaco Shares, are set out in the corrected Notice of Initial Substantial Holder announcement which was filed by Donaco with ASX on 25 June 2019.

(a) **No dealing in Donaco Shares in previous four months**

Neither ONR nor any of its Associates have provided or agreed to provide any consideration for any Donaco Shares in the four months up to the Last Practicable Date.

(b) **No inducing benefits given during previous four months**

Except as otherwise disclosed in this Scheme Booklet, in the four months before the Last Practicable Date, neither ONR nor any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate of the other person, to:

(i) vote in favour of the Scheme; or

(ii) dispose of Donaco Shares,

where the benefit was not offered to all Donaco Shareholders under the Scheme.

6.8 Interests of ONR Directors

Other than as disclosed in this Scheme Booklet, no director of ONR or any of its Associates has any Relevant Interest or voting power in any Donaco Shares or any other interest in Donaco, including any interest in any contracts of Donaco.

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6.9 Disclosure of ONR fees and other benefits and collateral benefits

Other than as disclosed in this Scheme Booklet, none of ONR or any of its Associates will be making any payment or giving any benefit to any current director, secretary or executive officer of Donaco or any of its Related Bodies Corporate as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

6.10 No other material information

Other than as disclosed in this section 6, there is no information regarding ONR, or its intentions regarding Donaco, that is material to the making of a decision by a Donaco Shareholder on whether or not to vote in favour of the Scheme, that is within the knowledge of any director of ONR as at the Last Practicable Date that has not been previously disclosed to Donaco Shareholders.

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7. RISK FACTORS

The Donaco Board considers that it is appropriate for Donaco Shareholders, in considering the Scheme, to be aware that there are a number of risk factors which could materially adversely affect the future operating and financial performance of Donaco and the value of Donaco Shares.

The risk factors in this section 7 are existing risks that relate to Donaco's business and the industry in which it operates, or that are generally associated with an investment in listed securities. These risks will only continue to be relevant to you if the Scheme does not proceed, in which case (in the absence of a Competing Proposal that is ultimately implemented) Donaco will continue to operate as a stand-alone entity, and you will retain your investment in Donaco.

This section 7 outlines:

- general risk factors;
- specific risk factors for the Donaco Group;
- unknown risks; and
- risks and implications for Donaco if the Scheme is not implemented.

This section 7 is a summary only and does not purport to list every risk that may be associated with an investment in the Donaco Group now or in the future.

If the Scheme proceeds, Scheme Shareholders will receive the Scheme Consideration and, from implementation of the Scheme, will cease to be Donaco Shareholders and will no longer be exposed to the risks set out in this section 7.

You should carefully consider the risks discussed in this section 7, as well as the other information contained in this Scheme Booklet generally, before voting on the Scheme Resolution. You should consult your legal, financial, taxation or other professional adviser if you are unclear or uncertain about any matter mentioned in this section 7 or elsewhere in this Scheme Booklet.

7.1 General risk factors

As with any entity with listed securities on ASX, the future prospects, operating and financial performance of Donaco and the value of Donaco Shares may be affected by a variety of factors. These factors may include:

(a) changes in investor sentiment and overall performance of Australian and international stock markets;

(b) changes in general business, industry cycles, and economic conditions including inflation, interest rates, exchange rates, commodity prices, employment levels, debt funding markets, equity markets and consumer demand;

(c) economic and political factors in Australia and internationally (including in Cambodia and Thailand), including economic growth;

(d) changes in legislation and government, fiscal, monetary and regulatory policies including foreign investment and government or political intervention in Australia and internationally (including in Cambodia and Thailand);

(e) changes in the nature of competition in the markets in which Donaco operates;

(f) uncertainty around the likelihood, timing, franking or quantum of future dividends (if any);

(g) failure to make or integrate any future acquisitions or business combinations (including the realisation of synergies), significant one-time write-offs or restructuring charges, and unanticipated costs and liabilities;

(h) information technology-related service outages and failures, including cyber incidents;

(i) changes in accounting or financial reporting standards; and

(j) changes in taxation laws (or their interpretation).

Deterioration of the general economic conditions, adverse foreign exchange rate movements, the Australian and overseas stock markets, and catastrophic events may also affect Donaco's operating and financial position.

7.2 Specific risk factors for the Donaco Group

There are a range of business-specific risks associated with your current investment in Donaco Shares, as set out below. You will only continue to be exposed to these risks if the Scheme does not proceed and you retain your investment in Donaco Shares. While Donaco has in place what it considers to be appropriate policies and procedures to help manage these risks, there is no guarantee that Donaco will be able to manage these risks completely. Furthermore, certain aspects of these risks (or Donaco's ability to respond to and manage them) may be partly or wholly outside of Donaco's control.

(a) **Revenue concentration**

Donaco's revenue is predominantly concentrated in the Asia-Pacific region. For FY24, over 99% of Donaco's revenue was generated from its operations in Cambodia and Vietnam. Donaco focuses on this market due to:

(i) the demand for leisure and entertainment in the Asia Pacific region;

(ii) favourable tax rates; and

(iii) border zone advantages resulting in high tourist traffic.

Additionally, although the Star Vegas Resort & Club is situated in Cambodia while the Aristo International Hotel is located in Vietnam, the primary target customers for both venues are Thai and Chinese, respectively. Gambling is illegal for locals at these establishments.

Donaco's operations are strategically positioned at the Cambodia-Thailand border (in respect of the Star Vegas Resort & Club) and the Vietnam-China border (in respect of the Aristo International Hotel) to capitalise on cross-border tourism and access the gambling markets in Thailand and China, which have a high demand for leisure and entertainment.

Donaco's focus on the Asia-Pacific region subjects it to heightened risks that could significantly affect its concentrated revenue base. For example, the impact on costs due to the Thai government's recent actions to cut electricity and internet supply to certain towns between Thailand and Cambodia, resulting in intermittent power supply, further complicates Donaco's operational conditions. Should operations in Cambodia

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or Vietnam face further disruptions or challenges, Donaco's business may be materially and adversely impacted, negatively influencing the Donaco Group's financial position.

(b) **Regulatory change**

Donaco's activities are subject to various legislation, regulation and approvals. The regulatory framework in which Donaco operates is not only complex but also subject to change. Both Vietnam and Cambodia have complex and evolving legal frameworks governing the gambling industry. Gambling is illegal for Cambodian and Vietnamese citizens under national law. As such, foreign tourism is critical to the success of the Donaco Group given its heavy reliance on international patrons attending its casinos. Over FY24, there has been continued focus on regulatory oversight of casino operators in Cambodia and Vietnam.

The introduction of any new legislation, be it amendments, the application of developments in existing law or policies or the interpretation of those laws or policies could have a material adverse effect on Donaco, the value of the Donaco business, and the future operations of Donaco.

Changes in government regulations may adversely affect the financial performance or the current and proposed operations generally of Donaco.

(c) **Impacts of neighbouring countries on gambling**

The attitudes and policies of neighbouring countries towards gambling may pose challenges for Donaco, particularly with respect to China and Thailand. China, in particular, is likely to view its residents gambling abroad unfavourably.

The Thailand government recently introduced the Draft Entertainment Complex Business Act which aims to legalise gambling in large “entertainment complexes” like hotels, restaurants, convention centres, music venues, sports arenas and amusement parks in Thailand. The Thai Cabinet approved the draft bill in principle on 13 January 2025. The potential legalisation of casinos in Thailand could have implications on the Star Vegas Resort & Club’s operations and cross-border tourism in the region, which is a critical revenue stream for the Star Vegas Resort & Club. The legalisation of gambling in Thailand could also materially increase direct competition in the market, given the Star Vegas Resort & Club's close proximity to Thailand.

While there is no immediate effect on Donaco’s financials, should the draft bill be passed by the Thailand Parliament, future implications may require re-evaluation, particularly as the majority of the Star Vegas Resort & Club's patrons come from Thailand.

(d) **Competition risk**

The casino market in Southeast Asia is highly competitive, with numerous operators vying for customers. Understanding the competitive landscape and differentiating the casino's offerings is crucial for success.

Donaco competes with other companies and could encounter challenging business conditions due to competition risk. New competitors and disruptors may enter Donaco’s traditional markets and may be subject to less regulation compared to that of the Donaco Group.

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As a result, there is a risk that Donaco may not be able to compete on the same terms as other operators, or may face increased levels of competition from other companies, which could adversely affect the operational and financial performance of the Donaco Group. A sustained increase in competition from existing competitors or new entrants may result in a material failure to grow, or a loss of market share or revenue, in some markets.

While Donaco currently enjoys a minimal competitive landscape in Vietnam, as the Aristo International Hotel is the only casino in the Lao Cai province, there are several other casinos in the broader area of Poipet, Cambodia, where the Star Vegas Resort & Club is located. Additionally, given the potential legalisation of gambling in "large entertainment complexes" in Thailand, the competition risk of the Donaco Group is heightened.

There can be no assurance that Donaco can compete effectively with these companies or the increase in competition in the Asia-Pacific region.

(e) **Key personnel and labour market risk**

Retaining and recruiting qualified personnel is critical to Donaco's success. Competition for suitably qualified personnel is very strong, and Donaco is exposed to challenges associated with attracting and retaining appropriately qualified personnel. The loss of any key personnel, the inability of Donaco to attract the requisite personnel with suitable experience, or the inability to maintain an appropriate risk-focused culture, could have an adverse effect on the performance of Donaco and the delivery of its strategies and/or operations.

A failure by the Donaco Group to appropriately manage team members' physical and/or psychological health and wellbeing, or failure to comply with relevant workplace health and safety laws and regulations, could expose the Donaco Group (and individual employees and directors) to civil, criminal and/or regulatory action with associated financial and reputational consequences.

(f) **Foreign currency risk**

Donaco operates internationally and is exposed to foreign currency risk from various currency exposures. The Donaco Group is exposed to foreign exchange fluctuations in relation to cash generated for working capital purposes, denominated in foreign currencies and net investments in foreign operations, in which the functional currencies are Vietnamese Dong and Thai Baht.

This exposes Donaco to fluctuations and volatility of the exchange rates between currencies as determined by international currency markets.

Fluctuations in the value of local currencies against major currencies can affect profitability, especially given both the Star Vegas Resort & Club and Aristo International Hotel attract a significant number of international visitors.

(g) **Financing risk**

Donaco's continued ability to operate its business and effectively implement its business objectives over time will depend in part on its ability to raise additional funds for future operations and to repay or refinance debts as they fall due. There is risk that Donaco may not be able to access equity or debt capital markets to support its business objectives.

If additional funds are raised through the issue of equity securities, the capital raising may be dilutive to shareholders (if Donaco determines that a pro rata entitlement offer is not the most appropriate method of equity fundraising or shareholders elect not to participate in such entitlement offers) and such securities may, subject to requisite shareholder approval, have rights, preferences or privileges senior to those currently holding Donaco's shares.

If sufficient funds are not available from either equity or debt capital markets to satisfy Donaco's short, medium and long-term capital requirements then this may adversely impact on Donaco's operational, financial performance and financial position.

(h) **COVID-19 risk**

Donaco was forced to temporarily close each of the Star Vegas Resort & Club and the Aristo International Hotel at various points during the 2020-2022 period due to COVID-19 as a result of the Thailand and Vietnamese governments declaring the temporary closure of all casinos. Additionally, due to the restrictions on international travel, attendance at the casinos was heavily reduced.

The COVID-19 pandemic adversely affected Donaco's revenue as the company experienced a minimal increase in average growth rates over the eight-year period to FY22. The events relating to COVID-19 were unprecedented in relation to restrictions and lockdowns. While Donaco is pleased to report a strong recovery in earnings following the COVID-19 pandemic, there is no guarantee that this trend will continue. Given the high degree of uncertainty as to the trading environment post COVID-19, it is important to recognise that there is no certainty that this positive trend of impact will endure.

Additionally, if the duration of the COVID-19 disruption is prolonged, it has the potential to cause materially adverse operational impacts for Donaco, particularly in relation to international travel and tourism.

(i) **Permitting and licensing risk**

A significant disruption to Donaco's operations would arise through the suspension, cancellation or expiry of any of Donaco’s casino licences. The restrictions associated with casino licences may impact Donaco's profitability, as the current licences prohibit local residents from gambling at the venues so Donaco strategically targets tour groups and non-local visitors.

(j) **Material contracts**

The ability of Donaco to operate its business will depend on the performance of the counterparties under various agreements it has entered into or may enter into in the future. If any counterparties do not meet their obligations under the respective agreements, this may impact on Donaco's business and financial returns.

(k) **Litigation risk**

Donaco is subject to litigation risks. All industries, including the leisure, hospitality and casino industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which Donaco is or may become subject could have a material effect on its financial position, results of operations or Donaco's activities. Except as set out in section 5.13, as at the date of this Scheme Booklet,

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Donaco is not aware of any litigation or disputes being undertaken which is material in the context of the Donaco Group taken as whole.

(l) **Taxation**

Donaco has a complex international tax position. Due to the various jurisdictions in which Donaco operates, Donaco is subject to numerous taxing jurisdictions and their laws. Changes to the operation of this environment, or an adverse ruling, or adverse application of a tax law, or outcome in relation to Donaco's tax structures, may have a material adverse impact on Donaco and its financial position.

Changes to the recoverability of tax refunds, tax law, legislation, regulation, policy or interpretation of tax laws may have a material adverse impact on Donaco and its financial position. In addition, any changes or uncertainty in taxing jurisdictions' administrative interpretations, decisions, and positions could also materially impact Donaco's income tax liabilities, which may have a material adverse impact on Donaco and its financial position.

Additionally, in the ordinary course of business Donaco is subject to tax reviews from various taxing authorities. The final determination of any tax reviews could be materially different from Donaco's tax provisions. If such a disagreement were to occur, Donaco could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, a higher effective tax rate, reduced cash flows and lower overall profitability of our operations, all of which may have a material adverse impact on Donaco and its financial position.

Please refer to section 5.13 and section 5.14 for further detail relating to the current taxation risks impacting the Donaco Group.

(m) **Political and compliance risks**

Donaco must comply with a range of statutory requirements in multiple jurisdictions. Risk of non-compliance arises from changes to fiscal or regulatory regimes, adverse changes to tax laws, difficulties in interpreting or complying with local laws, material differences in sustainability standards and practices, or changes to existing political, judicial or administrative policies and changing community expectations. Frequent changes in this landscape, and the consequences of non-compliance, could have a material adverse impact on Donaco and its financial position.

(n) **Anti-bribery and corruption**

Donaco operates in an industry which presents high money-laundering risks. Additionally, Donaco operates in jurisdictions with varying degrees of political, economic and judicial stability, which also exposes Donaco to the risk of bribery and corruption. Whilst Donaco has a clear Anti-Bribery and Anti-Corruption Policy and internal controls and procedures in place to protect against such risks, there can be no assurance that such controls, policies and procedures will absolutely protect Donaco from potentially improper or criminal acts.

A breach of anti-bribery and corruption obligations, failure to comply, or regulatory inquiry could each have material adverse consequences for Donaco's ability to operate, including regulatory scrutiny, adverse publicity and/or pecuniary penalties.

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7.3 Unknown risks

Additional risks and uncertainties not currently known to Donaco may also have a material adverse effect on Donaco's financial and operational performance, and the information set out in this section 7 does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Donaco.

7.4 Risks and implications for Donaco and Donaco Shareholders if the Scheme is not implemented

(a) **Donaco Shareholders will not receive the Scheme Consideration**

If the Scheme is not implemented, Scheme Shareholders will retain their Donaco Shares and will not receive the Scheme Consideration. Donaco will remain listed on ASX as a standalone entity, and the current Donaco Board and Donaco's senior management team will continue to operate Donaco's business. In these circumstances, Scheme Shareholders will continue to be subject to all risks currently associated with an investment in Donaco (and to which Donaco Shareholders are necessarily already exposed).

(b) **If the Scheme does not proceed, the price of Donaco Shares may fall below its recent trading price, in the absence of a Superior Proposal**

If the Scheme is not implemented and no Superior Proposal emerges, it is possible that the trading price of Donaco Shares will fall below current levels, to the extent that the market price reflects an assumption that the Scheme will be implemented and/or that a Superior Proposal might emerge (although this is difficult to predict with any degree of certainty).

Refer to section 1.2(d) for a discussion of the recent trading history of Donaco Shares and possible implications for Donaco Shareholders.

(c) **Risks for Donaco as a standalone entity**

If the Scheme does not proceed, and no Superior Proposal emerges, the Donaco Board intends to continue with its existing strategy.

There are a number of risks, including those of the nature of risks outlined in sections 7.2 and 7.3 above, that may affect Donaco's performance and operations more broadly.

(d) **Transaction costs already incurred**

As detailed in section 9.9, Donaco estimates that it will incur costs of approximately A$1,739,160 in connection to the Scheme, which will be payable by Donaco regardless of whether or not the Scheme is implemented. This includes financial advisory, legal, accounting, Independent Expert, Independent Property Expert, tax and administrative fees, Scheme Booklet and printing, share registry and other expenses.

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8. TAXATION IMPLICATIONS

8.1 General Australian taxation implications

The following is a general summary of the main Australian income tax, stamp duty and goods and services tax (**GST**) consequences from disposing of your Scheme Shares under the Scheme.

The Australian income tax comments in this summary only apply to Scheme Shareholders who hold their Scheme Shares on capital account for Australian income tax purposes. In particular, the comments do not apply to Scheme Shareholders who buy and sell shares in the ordinary course of business or who otherwise hold their Scheme Shares on revenue account or as trading stock for Australian tax purposes.

In addition, the Australian income tax comments in this summary do not apply to:

(a) Scheme Shareholders who acquired their Scheme Shares under an employee share or option scheme;

(b) Scheme Shareholders who are 'temporary residents' as that term is defined in section 995-1(1) of the *Income Tax Assessment Act 1997* (Cth);

(c) Scheme Shareholders who are subject to special taxation rules (for example, attribution managed investment trusts (**AMITs**), trusts that are subject to tax as companies, insurance companies and tax exempt organisations);

(d) Scheme Shareholders whose Scheme Shares are subject to the "taxation of financial arrangements" rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth); and

(e) non-Australian resident Scheme Shareholders who have held their shares at any time in carrying on business at or through a permanent establishment in Australia.

Except where otherwise stated, the income tax comments in this summary do not apply to Scheme Shareholders that are partnerships or trusts or persons that are partners of such partnerships, or beneficiaries of such trusts. If a partnership or trust is a Scheme Shareholder, the partners of such partnership or the beneficiaries of such trust should consult their own tax advisers in relation to the Australian income tax consequences for them of the partnership or the trust (as applicable) participating in the Scheme.

This summary does not address the tax consequences of the Scheme under the laws of any jurisdiction other than Australia. Scheme Shareholders should obtain professional advice in relation to the taxation consequences of the Scheme under the laws of any other relevant jurisdiction (such as their country of residence).

The information in this summary is based upon Australian income tax, GST and stamp duty laws and administrative practices of the relevant revenue authorities in effect as at the date of this Scheme Booklet. It is not intended to be tax advice or an authoritative or comprehensive analysis of the income tax, GST or stamp duty laws of Australia. The summary does not consider any specific facts or circumstances that may apply to your circumstances.

As the tax consequences to a Scheme Shareholder participating in the Scheme will depend on each Scheme Shareholder's own individual circumstances, all Scheme Shareholders are advised to seek their own independent professional advice regarding the Australian and, if relevant, foreign tax consequences of disposing of their Scheme Shares based on their own particular circumstances.

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8.2 Scheme Shareholders who are Australian residents (but not temporary residents) for tax purposes

This section applies to Scheme Shareholders who are residents (but not temporary residents) of Australia for Australian income tax purposes and who hold their Scheme Shares on capital account.

(a) **CGT consequences of the disposal of Scheme Shares**

The disposal of your Scheme Shares pursuant to the Scheme will constitute a capital gains tax (**CGT**) event.

The CGT event will happen at the time that you dispose of your Scheme Shares under the Scheme, which will be the Implementation Date.

(b) **Calculation of the capital gain or loss**

The disposal of your Scheme Shares should give rise to a capital gain or loss equal to the difference between:

(i) the capital proceeds received for the disposal of your Scheme Shares (ie the Scheme Consideration); and

(ii) the cost base (or, in the case of a capital loss, the reduced cost base) of your Scheme Shares (which would generally include the amount paid to acquire the Scheme Shares plus any non-deductible incidental costs of acquisition, eg brokerage fees and any applicable stamp duty).

Each Scheme Share constitutes a separate asset for CGT purposes. You will need to separately consider the consequences of the disposal of any of your Scheme Shares that were acquired in different parcels at different times.

Your net capital gain for the income year is included in your assessable income for the income year. Broadly, your net capital gain for an income year is the total of all the capital gains made during the income year less capital losses made in the income year and available net capital losses made in previous income years. That amount may be reduced further by other concessions, particularly under the discount capital gains tax rules discussed below.

If you make a capital loss from the disposal of your Scheme Shares, the capital loss may be used to offset capital gains made in the same or subsequent years of income (subject to satisfying any applicable carry forward loss conditions) but cannot be offset against ordinary income, nor carried back to offset net capital gains made in earlier income years.

(c) **Discount capital gains**

If you are an individual, or hold your Scheme Shares as a trustee of a trust or a complying superannuation entity, and have held your Scheme Shares for at least 12 months before disposal, the discount capital gain provisions may apply as follows:

(i) If you are an individual, one half of the capital gain (after offsetting any applicable capital losses) will be included in your assessable income.

(ii) If you are a trustee of a trust (but not a complying superannuation entity), one half of the capital gain (after offsetting any applicable capital losses) will be included in the "net income" of the trust. The discount capital gain provisions

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may also apply to capital gains to which beneficiaries in the trust (other than beneficiaries that are companies) are entitled. The CGT provisions applying to trustees and beneficiaries of trusts are complex and you should seek advice from your professional tax adviser in this regard.

(iii) If you are a complying superannuation entity (including where you are acting as a trustee of a complying superannuation entity), two-thirds of the capital gain (after offsetting applicable capital losses) will be included in the complying superannuation entity's assessable income.

The discount capital gain provisions generally do not apply to companies.

Where the discount capital gain provisions apply, any available capital losses will be applied to reduce the nominal capital gain before discounting the resulting net amount by either one-half or one-third (as applicable) to calculate the net capital gain that is included in assessable income.

8.3 Scheme Shareholders who are not Australian residents for tax purposes

This section applies to Scheme Shareholders who are non-residents of Australia for Australian income tax purposes and hold their Scheme Shares on capital account.

If you are a foreign resident of Australia for income tax purposes, any capital gain or loss you make on the disposal of the Scheme Shares will be disregarded unless the Scheme Shares are "taxable Australian property" (**TAP**).

In order for a Scheme Share to be "taxable Australian property", one of the following criteria would generally need to be met:

(a) the Scheme Share is an "indirect Australian real property interest";

(b) at any time, you held the Scheme Share in carrying on business through a permanent establishment in Australia; or

(c) you elected to disregard a gain or loss in respect of the Scheme Share on ceasing to be an Australian resident.

A Scheme Share should be treated as an "indirect Australian real property interest" if, broadly:

(a) you, together with your associates (as determined under the income tax legislation), hold a non-portfolio interest (ie 10% or more) in Donaco at the time of the disposal or did so for at least any 12 month period in the previous two years (in either case, a **Non-portfolio Interest**); and

(b) Donaco's assets comprise more than 50% interests in real property in Australia (by market value) (**Principal Asset Test**).

The Donaco Directors expect that the Principal Asset Test will not be met as at the date of this Scheme Booklet or at the Implementation Date on the basis that less than 50% of the market value of Donaco's assets is attributable to direct or indirect interests in taxable Australian real property. Accordingly your Scheme Shares are unlikely to be an "indirect Australian real property interest".

Non-residents who hold Scheme Shares that are TAP should obtain their own advice as to the CGT consequences of disposing of their Scheme Shares under the Scheme.

8.4 Foreign resident CGT withholding

In accordance with the foreign resident CGT withholding rules contained in the taxation administration legislation, ONR may be authorised and required to withhold and pay to the **ATO** up to 12.5% of the Scheme Consideration otherwise payable to you if:

(a) your Scheme Shares are an "indirect Australian real property interest"; and

(b) on the Implementation Date, ONR:

  (i) knows or reasonably believes you are a foreign resident; or

  (ii) does not reasonably believe you are an Australian resident, and either:

    (A) you have an address outside Australia; or

    (B) ONR is authorised to pay the Scheme Consideration to a place outside Australia (such as an overseas bank account).

As indicated at section 8.3 above, the Donaco Directors are of the view that, as at the date of this Scheme Booklet, less than 50% of the market value of Donaco's assets is attributable to direct or indirect interests in taxable Australian real property and, therefore, the Scheme Shares are unlikely to be indirect Australian real property interests. The Donaco Directors expect that this will remain the position as at the Implementation Date and, in such case, no amounts will be required to be withheld by ONR from the Scheme Consideration. Scheme Shareholders will be notified should this position change.

Non-resident Donaco Shareholders should obtain their own independent tax advice regarding the tax implications of the Scheme in Australia and in their country of residence.

8.5 Stamp duty

You will not be required to pay any stamp duty on the transfer of your Scheme Shares under the Scheme. Under the terms of the Scheme Implementation Deed (refer to clause 17.4(a)), ONR must pay all stamp duty payable on the Scheme Implementation Deed, or any instrument or transaction contemplated in or necessary to give effect to the Scheme Implementation Deed.

8.6 GST

No liability to GST should arise for you in respect of a disposal of your Scheme Shares under the Scheme.

If you incur GST on acquisitions (e.g. GST on legal, financial or tax advice), to the extent that any of these acquisitions relate to the disposal of your Scheme Shares, you may not be entitled to claim input tax credits or may only be entitled to reduced input tax credits in relation to any GST incurred on these acquisitions. You should seek independent tax advice in relation to your individual circumstances.

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9. ADDITIONAL INFORMATION

9.1 Interests of Donaco Directors in Donaco Shares

As at the Last Practicable Date, the Donaco Directors have the following Relevant Interests in Donaco securities.

Director	Number of Donaco Shares	Percentage interest in Donaco Shares on a non-diluted basis
Porntat Amatavivadhana	3,355,405	0.27
Lee Bug Huy	260,451,476	21.08[27]
Roderick Sutton	1,539,000	0.12
Total	**265,345,881**	**21.48**

Each Donaco Director will vote, or procure the voting of, the Donaco Shares held by them in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and provided that the Independent Expert continues to conclude that the Scheme is in the best interests of Donaco Shareholders.

No Donaco Director acquired or disposed of a Relevant Interest in any Donaco Share or other security in the four month period ending on the date immediately before the date of this Scheme Booklet.

9.2 Interests and dealings of Donaco Directors in securities in ONR

(a) **Donaco Directors' interests in securities in ONR**

No Donaco Director has a Relevant Interest in any securities of ONR or any of its Related Bodies Corporate.

(b) **Donaco Directors' dealings in securities in ONR**

No Donaco Director has acquired or disposed of a Relevant Interest in any securities in ONR or any of its Related Bodies Corporate in the four month period ending on the date immediately before the date of this Scheme Booklet.

9.3 Donaco Directors' benefits and agreements

(a) **Benefits in connection with retirement from office**

There is no payment or other benefit that is proposed to be made or given to any Donaco Director, secretary or executive officer of Donaco (or any of its Related Bodies Corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in Donaco (or any of its Related Bodies Corporate) in connection with, or that is materially affected by the implementation of, the Scheme.

[27] See footnote 2.

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(b) **Other agreements or arrangements connected with or conditional on the Scheme**

(i) **Bonus payments for Directors**

As contemplated by Article 50(f) of Donaco's constitution, the Donaco Board approved a one-off bonus payment for each Donaco Director in recognition of their increased and sustained workload and significant time commitment involved in (among other things): considering and engaging in discussions with ONR in relation to a potential change of control proposal, facilitating and engaging in due diligence investigations; negotiating and agreeing the terms and conditions of the Scheme Implementation Deed and associated documents; past efforts; and (now) overseeing the process through to implementation of the Scheme.

Donaco's constitution does not place a monetary cap on the payment of special exertion bonuses to directors.

Each Donaco Director will be paid the same bonus payment, as detailed below.

Name	Position	Bonus payment (inclusive of superannuation)
Porntat Amatavivadhana	Non-Executive Chairman	A$150,000
Techatut Sukcharoenkraisri (aka Lee Bug Huy)	Executive Director & CEO	A$150,000
Roderick Sutton	Non-Executive Director	A$150,000
Andrew Phillips	Non-Executive Director	A$150,000
Issaraya Intrapaiboon	Non-Executive Director	A$150,000
Total		**A$750,000**

These amounts:

(A) are not contingent on the Scheme proceeding and will be paid irrespective of the outcome;

(B) are to be paid to each Donaco Director in addition to their existing remuneration arrangements; and

(C) have been deemed by the Donaco Board to constitute reasonable remuneration to the Donaco Directors, having regard to, among other things, their existing annual directors' fees, market practice and their increased and sustained workload and significant time commitment involved in the matters outlined above.

(c) **Interests of Donaco Directors in contracts with ONR**

No Donaco Director has any interest in any contract entered into by ONR or any of its Related Bodies Corporate.

(d) **Benefits from ONR**

None of the Donaco Directors has agreed to receive, or is entitled to receive, any benefit from ONR (or any of its Related Bodies Corporate), which is conditional on, or is related to, the Scheme other than in their capacity as a Donaco Shareholder.

9.4 Donaco Shareholder and Director intentions

As announced to ASX on 17 March 2025, Donaco's largest shareholder (that is not also a Donaco Director) Mr Bhuvasith Chaiarunrojh (aka Lee Bug Tong), and your Donaco Directors, have each confirmed to Donaco that they intend to vote all of the Donaco Shares that they directly or indirectly own or control at the time of the Scheme Meeting in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Donaco Shareholders.

Mr Lee Bug Tong holds (directly or indirectly) 260,451,477 Donaco Shares (representing 21.08% of the total issued share capital of Donaco) as at the Last Practicable Date.[28]

Your Donaco Directors directly or indirectly own or control, in aggregate, 265,345,881 Donaco Shares (representing an additional 21.48% of the total issued share capital of Donaco) as at the Last Practicable Date.[29]

Mr Lee Bug Tong (and your Donaco Directors) have confirmed to Donaco that this intention:

- will be subject to the contents of ASIC's Regulatory Guide 25; and
- does not restrict its ability to exercise its voting rights attached to its Donaco Shares or to dispose of any of its Donaco Shares in its absolute discretion.

9.5 Standstill arrangements

ONR has agreed, pursuant to a confidentiality deed dated 26 February 2025, to customary standstill arrangements not to:

(a) acquire a relevant interest in Donaco Shares;

(b) enter into any agreement, arrangement or understanding with any person if entry into that agreement would result in an increase in the voting power of ONR, or any of its Associates, in Donaco;

(c) enter into any agreement, arrangement or understanding involving the conferring of rights on ONR or an Associate of it, the economic effect of which is equivalent, or substantially equivalent, to ONR or its Associate acquiring or holding Donaco Shares; or

(d) solicit proxies from shareholders of Donaco or otherwise seek to influence or control the management or policies of Donaco.

[28] See footnote 2.

[29] See footnote 2.

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The above restrictions are subject to customary exceptions and apply during the period commencing on the date of the confidentiality deed and ending on the earlier of (a) two months from the date one party receives written notice from the other party that it does not wish to proceed with a potential transaction; and (b) eight months from the date of the confidentiality deed.

9.6 ASIC relief and ASX waivers

(a) **ASIC relief**

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires that the Scheme Booklet set out whether, within the knowledge of the Donaco directors, the financial position of Donaco has materially changed since the date of the last balance sheet laid before Donaco in general meeting or sent to Donaco shareholders in accordance with section 314 or 317 of the Corporations Act and, if so, to provide full particulars of any such change.

ASIC has granted relief from this requirement so that Donaco need only state in the Scheme Booklet whether, within the knowledge of the Donaco directors, the financial position of Donaco has materially changed since the date of the HY25 financial statements (ie 31 December 2024), rather than the date of the FY24 financial statements (ie 30 June 2024) and, if so, to provide full particulars of any such change.

Refer to section 5.9 for further details.

(b) **ASX waivers**

No ASX waivers were sought for the purposes of the Scheme or the issue of this Scheme Booklet.

9.7 Formal disclosures and consents

The following parties have given and have not, before the date of this Scheme Booklet, withdrawn their written consent:

(a) to be named in this Scheme Booklet in the form and context in which they are named; and

(b) if applicable, to the inclusion of each statement it has made (if any) in the form and context in which the statement appears in this Scheme Booklet.

Name	Role
Ashurst	Australian legal advisers to Donaco
BDO Audit Pty Ltd	Auditors to Donaco
BDO	Independent Expert
Knight Frank	Independent Property Expert
Boardroom	Share Registry

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ONR:

(a) has assumed and accepted responsibility for the preparation and inclusion of the ONR Material; and

(b) has given and has not, before the date of this Scheme Booklet, withdrawn its written consent to the inclusion of the ONR Material in the form and context in which it appears in this Scheme Booklet.

BDO has given, and not withdrawn before the date of this Scheme Booklet, its written consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it appears in Annexure E and references to the Independent Expert's Report in the form and context in which they appear.

Ashurst has given, and not withdrawn before the date of this Scheme Booklet, its written consent to the inclusion of section 8 in this Scheme Booklet in the form and context in which it appears in section 8, and references to that section 8 in the form and context in which they appear.

Each person named above:

(a) has not authorised or caused the issue of the Scheme Booklet;

(b) does not make or purport to make any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than ONR in respect of the ONR Material and BDO in respect of the Independent Expert's Report; and

(c) to the maximum extent permitted by law, disclaims all liability in respect of, makes no representation regarding and takes no responsibility for any part of or omission from, this Scheme Booklet, other than ONR in respect of the ONR Material and BDO in respect of the Independent Expert's Report.

9.8 No unacceptable circumstances

The Donaco Directors believe that the Scheme does not involve any circumstances in relation to the affairs of Donaco that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

9.9 Fees and expenses

The aggregate amount of the fees and expenses expected to be incurred by Donaco in connection with the Scheme is approximately A$1,999,160 (excluding GST). This includes the following amounts (all excluding GST):

(a) fees and expenses paid or payable (excluding GST) to Donaco's professional advisers (including its financial, legal, accounting, communications and tax advisers) of approximately A$729,160;

(b) fees paid or payable to the Independent Expert and the Independent Property Expert of approximately A$475,000 in aggregate;

(c) one-off bonus payments to the Donaco Directors of approximately A$750,000 in aggregate; and

(d) Share Registry costs, fees and expenses associated with the Court proceedings, costs relating to design, printing and dispatch of this Scheme Booklet, expenses associated with convening and holding the Scheme Meeting and other general and

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administrative expenses in connection with the Scheme, of approximately A$45,000 in aggregate.

Of this, approximately A$1,739,160 will be paid irrespective of whether the Scheme becomes Effective (and is implemented).

These amounts do not include the transaction costs that may be incurred by ONR in relation to the Scheme.

9.10 Supplementary information

Donaco will issue an update or supplement to this Scheme Booklet if it becomes aware that, between the date of this Scheme Booklet and the Effective Date, a material statement in the Scheme Booklet is or becomes false or misleading in a material respect (including because of any material omission from this Scheme Booklet).

Donaco will seek the Court's approval for the despatch of any updated or supplementary Scheme Booklet.

9.11 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, so far as the Donaco Directors are aware, there is no information material to the making of a decision by a Donaco Shareholder in relation to the Scheme, being information that is within the knowledge of any Donaco Director or director of any Related Body Corporate of Donaco, as at the date of this Scheme Booklet, which has not been previously disclosed to Donaco Shareholders.

9.12 Donaco Directors' statement

The issue of this Scheme Booklet has been authorised by the Donaco Board, and this Scheme Booklet has been signed by or on behalf of the Donaco Directors in accordance with section 351 of the Corporations Act.

The Donaco Board has given (and not withdrawn) its consent to lodgement of this Scheme Booklet with ASIC.

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10. GLOSSARY

10.1 Definitions

The meaning of the terms used in this Scheme Booklet are set out below.

TERM	MEANING
Adviser	in relation to an entity, a financial, corporate, legal, tax or other expert adviser or consultant, who provides advisory or consultancy services in a professional capacity in the ordinary course of its business and has been engaged in that capacity in connection with the Transaction by that entity.
AEST	Australian Eastern Standard Time.
AWST	Australian Western Standard Time.
Announcement Date	17 March 2025, being the date of announcement of the Scheme to the ASX.
Applicable Law	the Corporations Act, the Corporations Regulations, the ASX Listing Rules and any applicable ASIC regulatory guide and Takeovers Panel guidance note.
ASIC	Australian Securities and Investments Commission.
ASM	Argyle Street Management Limited.
Associate	has the meaning set out in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to this Scheme Booklet.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market known as 'ASX' operated by ASX Limited.
ASX Listing Rules	the listing rules of ASX as amended or waived from time to time.
ATO	the Australian Taxation Office.
Australian Accounting Standards	the accounting standards made by the Australian Accounting Standards Board in accordance with the Corporations Act, and the requirements of that Act relating to the preparation and content of accounts.
Authorisation	has the meaning given to it in the Scheme Implementation Deed (and which is set out in full in paragraph 12 of Annexure A).
BDO	BDO Corporate Finance Ltd ABN 54 010 185 725.
BDO Audit	BDO Audit Pty Ltd ABN 33 134 022 870.

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TERM	MEANING
Boardroom or **Share Registry**	Boardroom Pty Limited ABN 14 003 209 836.
Break Fee	A$500,000 (exclusive of GST). The circumstances in which the Break Fee is payable to ONR are set out in Annexure A.
Business Day	(a) when used in relation to the Implementation Date and the Scheme Record Date, has the meaning given in the ASX Listing Rules; and (b) in all other cases, means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, New South Wales.
CHESS	the clearing house electronic subregister system for the electronic transfer of securities operated by ASX Settlement Pty Limited ABN 49 008 504 532.
Cambodian GDT	Cambodian General Department of Taxation.
CGMC	Cambodian Commercial Gambling Management Commission.
Competing Proposal	has the meaning given to it in the Scheme Implementation Deed (and which is set out in full in paragraph 12 of Annexure A).
Conditions Precedent	the conditions to implementation of the Scheme as summarised in paragraph 2 of Annexure A.
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	the *Corporations Act 2001* (Cth), as modified or varied by ASIC.
Corporations Regulations	the *Corporations Regulations 2001* (Cth).
Counter Proposal	an alternative proposal from ONR to Donaco to provide an equivalent or superior outcome for Donaco Shareholders than that offered under a Competing Proposal.
Court	the Supreme Court of New South Wales.
Deed Poll	the Deed Poll executed by ONR on 18 June 2025 under which ONR covenants in favour of the Scheme Shareholders to perform their obligations under the Scheme Implementation Deed and the Scheme. A copy of the executed Deed Poll is included in Annexure C of this Scheme Booklet.
Donaco	Donaco International Limited ACN 007 424 777.

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TERM	MEANING
Donaco Board	the board of directors of Donaco as constituted from time to time.
Donaco Director	any director of Donaco comprising part of the Donaco Board.
Donaco Group	Donaco and each of its subsidiaries, and a reference to a member of the Donaco Group is to Donaco or any of its subsidiaries.
Donaco Material	all information contained in this Scheme Booklet other than the ONR Material and the Independent Expert's Report.
Donaco Material Adverse Effect	has the same meaning given to "Target Material Adverse Effect" in the Scheme Implementation Deed (and which is set out in full in paragraph 12 of Annexure A).
Donaco Prescribed Event	has the same meaning given to "Target Prescribed Event" in the Scheme Implementation Deed (and which is set out in full in paragraph 12 of Annexure A).
Donaco Regulated Event	has the same meaning given to "Target Regulated Event" in the Scheme Implementation Deed (and which is set out in full in paragraph 12 of Annexure A).
Donaco Share	each fully paid ordinary share in Donaco.
Donaco Shareholder	each person who is entered in the Register as a holder of Donaco Shares (other than an Excluded Shareholder).
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective (currently expected to be on Friday, 8 August 2025).
End Date	16 September 2025, or such other date as agreed in writing by ONR and Donaco.
Excluded Shareholder	any Donaco Shareholder who is a member of the ONR Group or any Donaco Shareholder who holds any Donaco Shares on behalf of, or for the benefit of, any member of the ONR Group and does not hold Donaco Shares on behalf of, or for the benefit of, any other person. As at the date of the Scheme Booklet, the only Excluded Shareholder is ONR who is a substantial holder of Donaco and which has an interest in 158,574,603 Donaco Shares equating to 12.84% of Donaco's issued capital.
Exclusivity Period	the period beginning on 16 March 2025 and ending on the earlier of the:

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TERM	MEANING
	(a) the date of termination of the Scheme Implementation Deed; (b) the Implementation Date; and (c) the End Date.
First Court Hearing	the hearing of the Court of an application for an order under section 411(1) of the Corporations Act convening the Scheme Meeting, held on Friday, 20 June 2025.
FY22	financial year ended 30 June 2022.
FY23	financial year ended 30 June 2023.
FY24	financial year ended 30 June 2024.
GDT	Vietnamese General Department of Taxation.
GGR	gross gaming revenue.
Government Agency	a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including ASIC, ATO, ASX, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.
GST	has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
Headcount Test	the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme is passed by a majority in number of Donaco Shareholders present and voting, either in person or by proxy at the Scheme Meeting.
HY25	the six month, half-financial year period ended 31 December 2024.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date as ordered by the Court or agreed in writing by Donaco and ONR.
Independent Expert	BDO, the independent expert appointed by Donaco in respect of the Scheme.
Independent Expert's Report	the report by the Independent Expert set out in Annexure E of this Scheme Booklet.
Independent Property Expert	Knight Frank, the property expert appointed by Donaco in respect of the Scheme.

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TERM	MEANING
Independent Property Expert's Reports	the reports prepared by the Independent Property Expert contained in the Independent Expert's Report set out in Annexure E of this Scheme Booklet.
JV Agreement	the Joint Venture Agreement dated 21 February 2017 between Lao Cai Lottery One-Member Company Ltd and Donaco Singapore Private Ltd in relation to Lao Cai JVC.
KHR	Cambodian Riel.
Knight Frank	Knight Frank Petty Limited.
Lao Cai JVC	Lao Cai International Hotel Joint Venture Company Limited.
Last Practicable Date	5.00 pm (AEST), 18 June 2025.
Notice of Scheme Meeting	the notice in relation to the Scheme Meeting set out in Annexure D of this Scheme Booklet.
ONR	On Nut Road Limited.
ONR Board	the board of directors of ONR.
ONR Director	any director of ONR comprising part of the ONR Board.
ONR Group	ONR and its Related Bodies Corporate.
ONR Material	the information regarding the ONR Group that is provided by ONR or any of its Advisers to Donaco in writing for inclusion in this Scheme Booklet as is required under the Corporations Act, Corporations Regulations and ASIC Regulatory Guide 60.
Prakas No. 1080	Prakas No. 1080 MEF.PRK, *Rules and Procedures for the Implementation of Tax Obligations for Commercial Gambling Companies* issued by the Ministry of Economy and Finance of Cambodia on 30 December 2022.
Register	the register of members of Donaco maintained in accordance with the Corporations Act.
Registered Address	in relation to a Donaco Shareholder, the address shown in the Register as at the Scheme Record Date.
Related Body Corporate	has the meaning given in section 50 of the Corporations Act.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Requisite Majorities	approval of the Scheme Resolution by: • unless the Court orders otherwise, a majority in number (ie more than 50%) of Donaco Shareholders

TERM	MEANING
	present and voting on the Scheme Resolution at the Scheme Meeting, either in person or by proxy, attorney or, in the case of corporate Donaco Shareholders, body corporate representative; and • at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Donaco Shareholders, either in person or by proxy, attorney or, in the case of corporate Donaco Shareholders, body corporate representative.
Reverse Break Fee	A$500,000 (exclusive of GST). The circumstances in which the Reverse Break Fee is payable to Donaco are set out in the summary of the Scheme Implementation Deed contained in Annexure A.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Donaco and the Scheme Shareholders in the form set out in Annexure B of this Scheme Booklet or in such other form as is agreed in writing between Donaco and ONR, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved by Donaco and ONR (acting reasonably).
Scheme Booklet	this document, including the Annexures to it.
Scheme Consideration	the consideration to be provided by ONR to each Scheme Shareholder of each Scheme Share, being for each Donaco Share held by a Scheme Shareholder as at the Scheme Record Date, A$0.045 cash.
Scheme Implementation Deed	the scheme implementation deed between Donaco and ONR dated 16 March 2025. A summary is set out in Annexure A of this Scheme Booklet and a copy is attached in full to Donaco's ASX announcement on the Announcement Date, which is available on ASX's website at www.asx.com.au and on Donaco's website at www.donacointernational.com.
Scheme Meeting	the meeting of Donaco Shareholders to be convened as ordered by the Court under section 411(1) of the Corporations Act, to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Order	the order of the Court under section 411(4)(b) of the Corporations Act approving the Scheme, with or without modifications or conditions as are thought fit by the Court.
Scheme Record Date	5.00 pm (Sydney time) on the day which is two Business Days after the Effective Date, or any other date agreed in writing between Donaco and ONR or as may be required by ASX.

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TERM	MEANING
Scheme Resolution	the resolution to approve the Scheme to be voted on at the Scheme Meeting, as set out in the Notice of Scheme Meeting.
Scheme Share	a Donaco Share held by a Scheme Shareholder (other than a Donaco Share recorded in the Register as at the Scheme Record Date as being held by an Excluded Shareholder).
Scheme Shareholder	a holder of Donaco Shares recorded in the Register as at the Scheme Record Date (other than a Donaco Share held by an Excluded Shareholder).
Second Court Date	the first day on which the Court hears the application for an order under section 411(4)(b) of the Corporations Act approving the Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard. The hearing of the application made to the Court for the order under section 411(4)(b) of the Corporations Act approving the Scheme is the **Second Court Hearing**.
Superior Proposal	has the meaning given to it in the Scheme Implementation Deed (and which is set out in full in paragraph 12 of Annexure A).
Takeovers Panel	the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).
TOI	tax on income.
Trading Day	has the meaning given to that term in the ASX Listing Rules.
Transaction	the acquisition of the Scheme Shares by ONR through implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed and the Scheme.
VAT	value added tax.
VND	Vietnamese Dong.
VWAP	volume weighted average trading price on the ASX.

10.2 Interpretation

In this Scheme Booklet, unless the context requires otherwise:

(a) headings are inserted for convenience and do not affect the interpretation of this Scheme Booklet;

(b) words and phrases in this Scheme Booklet have the same meaning given to them (if any) in the Corporations Act;

(c) the singular includes the plural and vice versa;

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(d) a gender includes all genders;

(e) a reference to a person includes a corporation, partnership, joint venture, association, unincorporated body or other body corporate and vice versa;

(f) if a word is defined, another part of speech has a corresponding meaning;

(g) unless stated otherwise, a reference to a section or Annexure is a reference to a section or Annexure of this Scheme Booklet;

(h) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(i) unless expressly stated otherwise, a reference to time is a reference to time in Australian Eastern Standard Time; and

(j) unless expressly stated otherwise, a reference to dollars or $, is to Australian dollars (AUD).

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Annexure A

Summary of Scheme Implementation Deed

This is a summary of the key terms of the Scheme Implementation Deed. A copy of the Scheme Implementation Deed is attached in full to Donaco's ASX announcement on 17 March 2025, which is available on ASX's website at www.asx.com.au and on Donaco's website at www.donacointernational.com. You should refer to the full copy of the Scheme Implementation Deed for all of the terms of the Scheme Implementation Deed.

Unless otherwise defined, capitalised terms used in this Annexure A have the meaning given to them in the Glossary in section 10 of the Scheme Booklet or paragraph 12 titled "Additional Defined Terms". Any reference to a "paragraph" or "paragraphs" is a reference to a paragraph or paragraphs in this Annexure A, unless otherwise stated.

1. Scheme Consideration

Subject to the Scheme becoming Effective, each Scheme Shareholder will receive A$0.045 cash for each Donaco Share held as at the Scheme Record Date.

2. Conditions Precedent

The Scheme will not become Effective and the obligations of the parties with respect to implementation of the Transaction will not become binding until the following Conditions Precedent are satisfied or waived (where permitted):

	Condition
1.	**Donaco Shareholder Scheme Approval** Before 8.00 am on the Second Court Date, Donaco Shareholder Scheme Approval is obtained at the Scheme Meeting (or any adjournment or postponement of it) convened in accordance with the orders made under section 411(1) of the Corporations Act.
2.	**Court approval of Scheme** The Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme.
3.	**No regulatory actions** As at 8.00 am on the Second Court Date, there is not in effect: (a) any temporary, preliminary or final decision, order, injunction or decree issued by a court or other Government Agency; or (b) any action or investigation by any Government Agency, in consequence of, or in connection with, the Transaction which restrains, prohibits or impedes the implementation of the Transaction or any part of it.
4.	**Change of control consents**

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Condition	
	Any consent required for the acquisition by ONR of the Scheme Shares under the Scheme, for the purpose of: (a) any Authorisation in relation to the Donaco Group which is required in order to operate the business of the Donaco Group as operated as at the date of the Scheme Implementation Deed; or (b) any material contract to which a member of the Donaco Group is a party, has been obtained, by 8.00 am on the Second Court Date.
5.	**No Donaco Material Adverse Effect** No Donaco Material Adverse Effect occurs between the date of the Scheme Implementation Deed and 8.00 am on the Second Court Date.
6.	**No Donaco Prescribed Event** No Donaco Prescribed Event occurs between the date of the Scheme Implementation Deed and 8.00 am on the Second Court Date.
7.	**No Donaco Regulated Event** No Donaco Regulated Event occurs between the date of the Scheme Implementation Deed and 8.00 am on the Second Court Date.
8.	**Donaco Representations and Warranties** Each Donaco Representation and Warranty is true and correct in all material respects as at the time it is given or made.
9.	**Independent Expert's Report** The Independent Expert issues the Independent Expert's Report, which concludes that the Scheme is in the best interests of Donaco Shareholders and the Independent Expert does not withdraw or qualify its conclusion in any written update to its Independent Expert's Report or withdraw the Independent Expert's Report prior to 8.00 am on the Second Court Date.
10.	**ONR Representations and Warranties** Each ONR Representation and Warranty is true and correct in all material respects as at the time it is given or made.

3. Termination on failure to fulfill or waive a condition precedent

(a) If:

(i) (**Condition not satisfied or waived**) any Condition Precedent is not satisfied or (where capable of waiver) waived by the time or date specified in the Scheme Implementation Deed for its satisfaction;

(ii) (**Condition not capable of being satisfied**) for any reason, a Condition Precedent is not capable of being satisfied, or a circumstance occurs which is reasonably likely to result in a Condition Precedent not being capable of being

satisfied, and the Condition Precedent has not been waived or cannot be waived; or

(iii) (**Scheme not Effective**) the Scheme does not become Effective by 11.59 pm on the End Date,

then the parties must consult in good faith to determine whether to:

(iv) proceed by way of alternative means or method so as to achieve a commercial outcome that is substantially the same as the Transaction;

(v) extend the relevant time or date for satisfaction of a particular Condition Precedent;

(vi) change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties;

(vii) extend the End Date; or

(viii) do any combination of the matters listed in paragraphs 3(a)(iv) to 3(a)(vii) (inclusive).

(b) If the parties are unable to reach agreement within five Business Days after the delivery of notice (or any shorter period ending at 5.00 pm on the day before the Second Court Date):

(i) subject to paragraph 3(b)(ii), either party may terminate the Scheme Implementation Deed; or

(ii) if a Condition Precedent may be waived and exists for the benefit of one party only, that party only may waive that Condition Precedent or terminate the Scheme Implementation Deed,

in each case before 8.00 am on the Second Court Date. A party will not be entitled to terminate the Scheme Implementation Deed if the relevant Condition Precedent has not been satisfied or agreement cannot be reached as a result of a breach of the Scheme Implementation Deed by that party or a deliberate act or omission of that party.

4. Obligations of Donaco and ONR

4.1 Donaco's obligations

Donaco's key substantive obligations under the Scheme Implementation Deed include the following:

(a) (**Announcement**) Immediately following execution of the Scheme Implementation Deed (or as otherwise agreed between the parties), make an announcement to ASX in the form agreed between Donaco and ONR (on the basis of written statements made to Donaco by each Donaco Director), that:

(i) the Donaco Board unanimously recommends that Donaco Shareholders vote in favour of the Scheme at the Scheme Meeting; and

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(ii) each Donaco Director who holds or controls Donaco Shares intends to vote the Donaco Shares that he or she directly or indirectly owns or controls in favour of the Scheme at the Scheme Meeting,

(b) in each case:

(i) in the absence of a Superior Proposal; and

(ii) subject to the Independent Expert concluding (and continuing to conclude at all times prior to the Second Court Date) that the Scheme is in the best interests of Donaco Shareholders.

(c) (**Prepare Scheme Booklet**) Prepare the Scheme Booklet and, subject to ONR complying with its obligations in respect of the ONR Material, ensure that the Scheme Booklet includes all information required by applicable laws, ASIC Regulatory Guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules and unless there has been a change of recommendation permitted by paragraph 4.1(g) below, include in the Scheme Booklet a statement (on the basis of written statements made to it by each of its directors) that:

(i) the Donaco Board unanimously recommends that Donaco Shareholders vote in favour of the Scheme at the Scheme Meeting; and

(ii) each Donaco Director who holds or controls Donaco Shares intends to vote the Donaco Shares that he or she directly or indirectly owns or controls in favour of the Scheme at the Scheme Meeting,

in each case:

(iii) in the absence of a Superior Proposal; and

(iv) subject to the Independent Expert concluding (and continuing to conclude at all times prior to the Second Court Date) that the Scheme is in the best interests of Donaco Shareholders.

(d) (**Independent Expert's Report**) Promptly appoint the Independent Expert and commission the preparation of the Independent Expert's Report, and provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report.

(e) (**Due diligence and verification**) Undertake appropriate due diligence and verification processes in relation to the Donaco Material and, after those processes have been completed, provide on or before the First Court Date, an affidavit to the Court confirming the due diligence and verification processes undertaken and their completion.

(f) (**Implementation of Scheme**) If the Scheme is approved by the Court:

(i) close the Register as at the Scheme Record Date to determine the identity of the Scheme Shareholders and their entitlements to the Scheme Consideration, in accordance with the Scheme, and provide such information to ONR;

(ii) subject to ONR having provided the Scheme Consideration in accordance with the Scheme and Deed Poll, execute proper instruments of transfer and effect and register the transfer of the Scheme Shares to ONR on the Implementation Date;

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(iii) apply to ASX to suspend trading in Donaco Shares with effect from the close of trading on the Effective Date; and

(iv) apply to ASX to have Donaco removed from the official list of ASX, and quotation of Donaco Shares on the ASX terminated, with effect on and from the close of trading on the Trading Day immediately following the Implementation Date (unless otherwise directed by ONR in writing).

(g) (**Board recommendations and voting**) Donaco must use reasonable endeavours to procure that Donaco's directors maintain the recommendation summarised in paragraph 4.1(a)(i) and the intention summarised in paragraph 4.1(a)(ii) until the Implementation Date and repeat this recommendation and voting intention statement in all public announcements in connection with the Transaction, unless:

(i) the Donaco Board, acting in good faith and after consulting with Donaco's legal advisers, determines that maintaining the recommendation summarised in paragraph 4.1(a)(i) would be likely to breach the directors' fiduciary or statutory obligations;

(ii) the Donaco Board determines that a Competing Proposal received by Donaco is a Superior Proposal or announces the receipt of a Superior Proposal;

(iii) the Independent Expert concludes (either in its initial Independent Expert's Report or in any written update, revision, amendment, addendum or supplementary reports to it) that the Scheme is not in the best interests of Donaco Shareholders, or the Independent Expert withdraws its Independent Expert's Report prior to 5.00 pm on the day before the Second Court Date; or

(iv) in the case of the recommendation summarised in paragraph 4.1(a)(i), the Court, ASIC or the Takeovers Panel orders, requires, requests or otherwise indicates it would be desirable for the director to withdraw, or abstain from making, their recommendation,

provided in each case, Donaco has complied with its exclusivity obligations set out in the Scheme Implementation Deed. For the purposes of the Scheme Implementation Deed, if a Competing Proposal is publicly announced in respect of Donaco, the release by Donaco of one or more announcements to the effect that Donaco Shareholders should take no action while the Donaco Board considers its response will not (in and of itself) be regarded as a failure of Donaco directors to maintain the recommendation summarised in paragraph 4.1(a)(i) and the voting intention summarised in paragraph (a)(ii).

(h) (**Board Composition**) As soon as practicable on the Implementation Date, take all actions necessary, in accordance with the constitution of Donaco, the Corporations Act and the ASX Listing Rules, to:

(i) effect the appointment of each of the persons nominated by ONR as new directors of the Donaco Board; and

(ii) procure that all Donaco Directors resign, effective from the Implementation Date, other than the directors appointed under subparagraph (i) above or as otherwise directed by ONR in writing, subject to:

(A) the Scheme Consideration being issued; and

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(B) receipt by Donaco of duly signed consents to act from each nominated director before the Scheme Record Date.

4.2 ONR's obligations

ONR's obligations in relation to implementation of the Scheme are more limited than Donaco's. ONR's key process obligation is preparing the ONR Material for inclusion in the Scheme Booklet, and ONR's key implementation deliverable is procuring the provision of the Scheme Consideration.

5. Pre-implementation obligations

5.1 Conduct of business

Subject to paragraphs (g) and (h) below, during the Exclusivity Period, Donaco must (and must procure that each member of the Donaco Group):

(a) conduct its business and operations in the ordinary course consistent with past practice and in substantially the same manner (subject to any applicable law) as have been conducted in the 12 month period prior to the date of the Scheme Implementation Deed;

(b) comply in all material respects, with all material contracts to which it is a party, and use reasonable endeavours to preserve its relationship with its existing financiers, suppliers, landlords, Government Agencies and others having business dealings with it;

(c) use reasonable endeavours to retain the services of its key officers and employees;

(d) have and maintain all material Authorisations necessary for the Donaco Group to conduct its business, and comply in all material respects with laws, regulations (including the ASX Listing Rules) and Authorisations applicable to it and all orders of Government Agencies having jurisdiction over it;

(e) use reasonable endeavours to maintain and preserve the value of its business (including goodwill) and assets consistent with past practices and maintain at least its current level of insurance; and

(f) ensure that no Donaco Prescribed Event or Donaco Regulated Event occurs and there is no occurrence within any member of the Donaco Group's reasonable control that would have a Donaco Material Adverse Effect.

The above restrictions do not apply to any action which:

(g) is a Permitted Event; or

(h) is reasonably and prudently required to respond to any epidemic, pandemic, hurricane, earthquake, flood, weather conditions, calamity or other natural disaster, act of God or other force majeure event (or any worsening of or recovery from any of the foregoing), provided that, to the extent reasonably practicable, Donaco has consulted with ONR in good faith in respect of the proposal to take such action or not take such action (as applicable) and considers any reasonable comments or requests of ONR in relation to such proposal in good faith.

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5.2 Access to information

During the Exclusivity Period, the Donaco Group will make available to the ONR Group, its officers and advisers:

(a) premises and documents, records, other information and senior executives, as reasonably requested by the ONR Group and afford the ONR Group reasonable co-operation; and

(b) monthly financial management accounts or other material reports in relation to the Donaco's business that are provided to the Donaco Board or the executive management team,

for the purposes of:

(c) Implementation of the Scheme;

(d) any Regulatory Approvals;

(e) ONR developing and understanding the operations, business, financial position and affairs of the Donaco Group and implementing plans for transition of the business of the Donaco Group to ONR following implementation of the Transaction;

(f) keeping ONR informed of any material developments relating to the Donaco Group's business, including matters raised by any Government Agency and the matters referred to in paragraph 5.1; and

(g) any other purpose which is agreed in writing between the parties.

5.3 Change of control consents

As soon as practicable after 16 March 2025, Donaco must work with ONR to seek to identify any consents, waivers, approvals or notifications that need to be sought to permit the change in control of the Donaco Group as a result of the Scheme:

(a) under any material contracts (including any lease) to which a member of the Donaco Group is a party; and

(b) under any Authorisations of any member of the Donaco Group which are required to operate that Donaco Group member's business as operated as at the date of the Scheme Implementation Deed,

and use reasonable endeavours to agree a strategy with ONR to obtain those consents, waivers, approvals or notifications and use reasonable endeavours to then seek those consents, waivers, approvals or notifications (as required) in accordance with the agreed strategy.

6. Exclusivity

6.1 Existing discussions

Donaco represents and warrants that, as at the date of the Scheme Implementation Deed:

(a) it is not party to any agreement or arrangement with any Third Party entered into for the purposes of facilitating a Competing Proposal;

(b) it is not, directly or indirectly, participating in any discussions or negotiations with a Third Party that concern, or that could be reasonably expected to lead to, a Competing Proposal; and

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(c) any due diligence access granted to any Third Party for the purposes of such Third Party making, formulating, developing or finalising, or assisting in the making, formulation, development or finalisation of, a Competing Proposal has been terminated.

6.2 No-shop, no-talk and no-due diligence

During the Exclusivity Period, Donaco must not (and must ensure that none of its related bodies corporate or Representatives, nor any other person on its behalf) directly or indirectly:

(a) (**no-shop**) solicit, encourage, initiate or invite any offer, enquiries, expressions of interest, discussions or proposals from any Third Party in relation to, or that may reasonably be expected to encourage or lead to, a Competing Proposal, or announce or communicate to any person any intention to do any of these things;

(b) (**no-talk**) subject to the fiduciary exception summarised in paragraph 6.3 below, negotiate, accept or enter into, participate in or continue any discussions or negotiations with a Third Party in relation to, or that may reasonably be expected to encourage or lead to, a Competing Proposal, or otherwise facilitate a Competing Proposal, or announce or communicate to any person any intention to do any of these things; or

(c) (**no-due diligence**) without limiting the no-talk restriction above, and subject to the fiduciary exception summarised in paragraph 6.3 below, disclose, make available to any Third Party, or cause or permit any Third Party to receive, any non-public information relating to Donaco or any of its related bodies corporate that may reasonably be expected to assist such Third Party in formulating, developing or finalising a Competing Proposal or communicate to any person any intention to do any of these things.

6.3 Fiduciary exception

The no-talk and no-due diligence restrictions described above in 6.2 do not:

(a) apply in respect of a Competing Proposal where:

(i) there has not been any breach of the no-shop restriction in paragraph 6.2(a) in respect of a Competing Proposal; and

(ii) the Donaco Board, acting in good faith and after consulting with Donaco's financial and legal advisers, determines that such Competing Proposal is, or may reasonably be likely to constitute, a Superior Proposal if it were proposed and that failing to respond to such Competing Proposal would be reasonably likely to constitute a breach of the fiduciary duties or statutory obligations of the Donaco Board; and

(b) prevent Donaco disclosing non-public information to its auditors or advisers, or a Government Agency or regulatory body in the ordinary course of its business or as required under Donaco's existing contractual obligations provided it is not done in a manner which is intended to circumvent the intent described above.

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7. Notification and matching rights

7.1 Initial notification

If, during the Exclusivity Period:

(a) Donaco or any of its related bodies corporate or Representatives receives a Competing Proposal; and

(b) Donaco proposes to take or takes any action in reliance on the exception in clause 6.3 (other than clause 6.3(b)),

Donaco must as soon as reasonably practicable (and in any event within one Business Day after receiving a Competing Proposal) give ONR a notice setting out all material details of a Competing Proposal.

7.2 Matching Right

(a) If, during the Exclusivity Period, the Donaco Board determines that a Competing Proposal is a Superior Proposal, Donaco must as soon as practicable (and in any event within two clear Business Days of making that determination) give ONR a notice setting out all material details of that Competing Proposal, including identifying details of the third party who made the Competing Proposal, the consideration, conditions, proposed timetable and break or reimbursement fee (if any), that the Donaco Board has determined is a Superior Proposal (**Matching Right Notice**).

(b) During the Exclusivity Period, Donaco must not enter into, or agree to enter into, any binding documentation to give effect or implement the Competing Proposal and must use its best endeavours to ensure that no Donaco Director makes any public statement recommending the Competing Proposal to Donaco Shareholders, unless

(i) the Donaco Board (or a majority of them), acting in good faith determines that such Competing Proposal is, or may reasonably be likely to constitute, a Superior Proposal and that failing to respond to such Competing Proposal would be reasonably likely to constitute a breach of the fiduciary duties or statutory obligations of the Donaco Board;

(ii) Donaco has provided ONR with a Matching Right Notice;

(iii) Donaco has given ONR at least five clear Business Days after the date that Donaco gives ONR the Matching Right Notice (**Matching Period**) to announce or otherwise propose or provide to Donaco an alternative proposal with a view to providing an equivalent or a superior outcome for the Donaco Shareholders than those offered under the relevant Competing Proposal (**Counter Proposal**); and

(iv) ONR has not announced or otherwise proposed or provided to Donaco such Counter Proposal by the expiry of the Matching Period.

(c) If ONR makes a Counter Proposal during the Matching Period:

(i) Donaco must use its best endeavours to procure that the Donaco Board promptly considers the Counter Proposal in good faith before entering into, or agreeing to enter into, any binding documentation to give effect to or implement the Competing Proposal; and

(ii) if the Donaco Board acting in good faith determines that the terms and conditions of the Counter Proposal would provide an equivalent or superior

outcome to Donaco Shareholders than the relevant Competing Proposal, Donaco must notify ONR of the determination and the parties must use their reasonable endeavours to agree any amendments to the Scheme Implementation Deed and implement the Counter Proposal as soon as reasonably practicable.

(d) If the Donaco Board acting in good faith determines that the terms and conditions of the Counter Proposal taken as a whole would not provide an equivalent or superior outcome to Donaco Shareholders than the relevant Competing Proposal, then Donaco must as soon as reasonably practicable, notify ONR of the determination in writing.

7.3 Donaco Board determination

An announcement by Donaco or the Donaco Board to the effect that:

(a) the Donaco Board has determined that a Competing Proposal is a Superior Proposal and commenced the matching right process; or

(b) Donaco Shareholders should take no action pending the completion of the matching right process,

does not, of itself, constitute a change, withdrawal, modification or qualification of the recommendation by the Donaco Board or an endorsement of a Competing Proposal, nor does it contravene the Scheme Implementation Deed or give rise to a termination right under the Scheme Implementation Deed.

8. Break Fee and Reverse Break Fee

A Break Fee or Reverse Break Fee may be payable by either Donaco or ONR (as applicable) in the circumstances summarised below. In either instance the amount payable is A$500,000 (exclusive of GST), and is payable within 20 Business Days after receipt by either Donaco or ONR (as applicable) of a demand for the respective fee to be paid.

8.1 Break Fee triggers

Donaco must pay ONR the Break Fee if:

(a) (**change of recommendation or voting intention statement**) during the Exclusivity Period, any Donaco Director:

(i) does not recommend the Scheme, or withdraws or adversely modifies an earlier recommendation, or makes an announcement in support of a Competing Proposal; or

(ii) does not state that he or she intends to vote in favour of the Scheme or withdraws or adversely modifies an earlier statement that they intend to vote in favour of the Scheme at the Scheme Meeting,

and ONR has terminated the Scheme Implementation Deed, except:

(iii) where Donaco has terminated the Scheme Implementation Deed;

(iv) where the Independent Expert concludes that the Scheme is not in the best interest of the Donaco Shareholders or the Independent Expert withdraws its Independent Expert's Report prior to 5.00 pm on the day before the Second Court Date (other than where the conclusion or withdrawal is due to a Superior Proposal); or

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(v) where the Court, ASIC or the Takeovers Panel orders, requires, requests or otherwise indicates that that it would be desirable for the Donaco Director to withdraw or abstain from making their recommendation;

(b) (**Competing Proposal**) during the Exclusivity Period a Competing Proposal is publicly announced, made or becomes open for acceptance and the proponent of that Competing Proposal, within 9 months of the Competing Proposal being publicly announced, being received by Donaco or becomes open for acceptance (whichever is earliest), acquires voting power of (or economic interest in) more than 50% of all Donaco Shares and that Competing Proposal is, or becomes, free from any conditions; or

(c) (**termination by ONR**) ONR has validly terminated the Scheme Implementation Deed in accordance with paragraphs 9(a)(iii) or 9(a)(iv).

8.2 Reverse Break Fee triggers

ONR must pay Donaco the Reverse Break Fee if Donaco has validly terminated Scheme Implementation Deed pursuant to paragraphs 9(a)(iii) or 9(a)(iv).

9. Termination

(a) Either party (the **Terminating Party**) may terminate the Scheme Implementation Deed by notice in writing to the other party:

(i) (**End Date**) if the Scheme has not become Effective on or before the End Date;

(ii) (**failure to agree**) in accordance with paragraph 3(b) above;

(iii) (**material breach**) if before 8.00 am on the Second Court Date, the other party (the **Defaulting Party**) commits a breach of the Scheme Implementation Deed and:

(A) the breach is material taken in the context of the Transaction as a whole;

(B) the Terminating Party has given the Defaulting Party written notice setting out the relevant circumstances giving rise to the breach, and stating an intention to terminate the Scheme Implementation Deed unless the breach is remedied; and

(C) the relevant circumstances giving rise to the breach are not remedied to the Terminating Party's reasonable satisfaction by the earlier of:

(aa) five Business Days after the date of the notice given by the Terminating Party under paragraph 9(a)(iii)(B); or

(bb) 5.00 pm on the Business Day before the Second Court Date;

(iv) (**insolvency event**) if an insolvency event occurs in relation to the other party; or

(v) (**mutual agreement**) if agreed to in writing by Donaco and ONR.

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(b) ONR may terminate the Scheme Implementation Deed by giving written notice to Donaco at any time before 8.00 am on the Second Court Date if:

(i) (**Donaco director recommendation**) any Donaco Director:

(A) does not recommend the Scheme (or withdraws or adversely modified an earlier recommendation) or recommends a Competing Proposal; or

(B) does not state that he or she intends to vote in favour of the Scheme (or withdraws or adversely modifies an earlier statement that they intend to vote in favour of the Scheme);

(ii) (**agreement with a Competing Proposal**) Donaco or a member of the Donaco Group enters into a definitive agreement in relation to the implementation of a Competing Proposal.

(c) Donaco may terminate the Scheme Implementation Deed by giving written notice to ONR at any time before 8.00 am on the Second Court Date if:

(i) (**Independent Experts Report**) the Independent Expert concludes that the Scheme is not in the best interests of Donaco Shareholders or the Independent Expert withdraws its Independent Expert's Report, other than where such conclusion is due to a Superior Proposal; or

(ii) (**Superior Proposal**) Donaco receives a Competing Proposal and the Donaco Directors acting in good faith and having followed the processes set out in the Scheme Implementation Deed, have determined that the Competing Proposal constitutes a Superior Proposal.

10. Effect of termination

On termination of the Scheme Implementation Deed, each party will be released from any liability or obligation (except for those specified to continue beyond termination), but each party will retain any accrued rights it has or may have against the other party.

11. Other clauses

The Scheme Implementation Deed contains other clauses and schedules (including representations and warranties by Donaco in clause 13 of the Scheme Implementation Deed), most of which are customary for an agreement of that nature. A copy of the Scheme Implementation Deed is attached in full to Donaco's ASX announcement on 17 March 2025 which is available on ASX's website at www.asx.com.au and on Donaco's website at www.donacointernational.com/ASX-Releases.

12. Additional defined terms

ASIC Regulatory Guides means the regulatory guides published by ASIC from time to time.

Associate has the meaning given in section 12(2) of the Corporations Act, as if section 12(1) of the Corporations Act included a reference to the Scheme Implementation Deed.

Authorisation means:

(a) an approval, authorisation, consent, declaration, exemption, favourable resolution, licence, notarisation, permit or waiver, however it is described, including any renewal or amendment and any condition attaching to it from or by a Government Agency; and

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(b) in relation to anything that could be prohibited or restricted by law, if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken.

Break Fee means A$500,000 (exclusive of GST).

Competing Proposal means any proposal, offer, transaction, agreement or arrangement which, if ultimately entered into or completed substantially in accordance with its terms, would result in:

(a) a person other than any member of the ONR Group (whether alone or together with its Associates), directly or indirectly:

(i) acquiring control (within the meaning given in section 50AA of the Corporations Act) of Donaco or any member of the Donaco Group which holds all or a substantial part of the business or assets of the Donaco Group;

(ii) acquiring an interest (including an economic interest by way of an equity swap, contract for difference or similar transaction or arrangement), or a relevant interest, in more than 20% of the Donaco Shares;

(iii) acquiring, becoming the holder of, or having a right to acquire an economic interest in all or a substantial part of the business or assets of the Donaco Group,

whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement; or

(b) the Transaction not being capable of being implemented on the basis set out the Scheme Implementation Deed.

Confidentiality Deed means the confidentiality deed between Donaco and ONR dated 26 February 2025.

DD Cut-off Time means 5.00 pm on the date that is one Business Day before the date of the Scheme Implementation Deed, or such later date as Donaco and ONR agree in writing.

Donaco Disclosure Material means:

(a) the Donaco Due Diligence Information; and

(b) public register information.

Donaco Due Diligence Information means all written information relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of the Donaco Group provided or made available by, or on behalf of, the Donaco Group to any member of the ONR Group or its Representatives on or before the DD Cut-off Time or otherwise agreed in writing between ONR and Donaco as forming part of the Donaco Due Diligence Information.

Donaco Material Adverse Effect means an event, matter or circumstance that occurs, is announced or becomes known to ONR after the date of the Scheme Implementation Deed

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which, either individually or when aggregated with all such events or circumstances that have occurred, has had or would be reasonably likely to have:

(a) the effect of diminishing the consolidated net asset value of the Donaco Group (calculated in accordance with the accounting policies and practices applied by Donaco as at the date of the Scheme Implementation Deed and calculated on the date of the relevant event, matter or circumstance) by an amount of at least A$6 million;

(b) the effect of diminishing the consolidated revenue of the Donaco Group (calculated in accordance with the accounting policies and practices applied by Donaco as at the date of the Scheme Implementation Deed and calculated on the date of the relevant event, matter or circumstance) by an amount of at least A$2 million in any financial year; or

(c) a material adverse effect on the status or terms of any Authorisations issued by any Government Agency in relation to the Donaco Group, which prevents, or would be reasonably likely to prevent, the Donaco Group from operating its business, or which results in the loss or would be reasonably likely to result in the loss of any material Authorisations currently held by a member of the Donaco Group and which is required to operate its business,

other than any event, matter or circumstance:

(a) relating to a Permitted Event;

(b) which is the payment of, or incurring by, the Donaco Group of costs and expenses relating to the Transaction substantially in the ordinary course of the business;

(c) arising as a result of a change to legislation or regulation, any judicial or administrative interpretation of the law or any practice or policy of a Government Agency (whether or not retrospective in effect), including in relation to tax; or

(d) that arises as a result of general changes in economic, political or business conditions (including interest rates, commodity prices and exchange rates), or in securities, credit or financial markets including material adverse changes or major disruptions to, or fluctuations in, the industry in which Donaco operates, or acts of terrorism, outbreak or escalation of war (whether or not declared), natural disaster or the like, including any epidemic or pandemic.

Donaco Prescribed Event means any of the following events:

(a) (**conversion**) Donaco converts all or any of its shares into a larger or smaller number of shares;

(b) (**capital reduction**) any member of the Donaco Group resolves to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;

(c) (**buy-back**) any member of the Donaco Group:

(i) enters into a buy-back agreement; or

(ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;

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(d) (**distribution**) any member of the Donaco Group declares, pays or distributes any dividend, bonus or other share of its profits or assets or returns or agrees to return any capital to its members;

(e) (**issue of securities**) any member of the Donaco Group issues shares or securities convertible into shares, or grants an option over its shares, or agrees to make such an issue or grant such an option, other than to Donaco or another member of the Donaco Group;

(**grant of performance rights and options**) any member of the Donaco Group issuing securities, or granting a performance right or option over its securities, or agreeing to make such an issue or grant such a performance right or option, other than an issue or grant (or an agreement to issue or grant) to another member of the Donaco Group;

(f) (**change to constitution**) any member of the Donaco Group adopts a new constitution or modifies or repeals its constitution or a provision of it;

(g) (**deregistration**) any member of the Donaco Group is deregistered as a company or otherwise dissolved except in the case of the voluntary deregistration or dissolution of a solvent subsidiary with less than A$300,000 in net assets as at 16 March 2025;

(h) (**insolvency event**) an insolvency event occurring in relation to any member of the Donaco Group; or

(i) (**authorising, committing, announcing or agreeing**) any member of the Donaco Group authorising, committing, announcing or agreeing to take any of the actions referred to in the paragraphs above,

other than any Permitted Event.

Donaco Regulated Event means the occurrence of any of the following:

(a) (**changes to business activities**) a member of the Donaco Group enters into any new line of business or other activity in which it is not engaged as at 16 March 2025 or establish any presence (physical or otherwise) or other activity within or outside Australia which it does not have on 16 March 2025;

(b) (**acquisitions or disposals**) a member of the Donaco Group acquires or disposes of, offers to acquire or dispose of or agrees to acquire or dispose of any business, entity or undertaking or assets comprising a business, the value of which exceeds A$300,000;

(c) (**contracts and commitments**) a member of the Donaco Group enters into, varies, terminates, exercises options under or submits tenders or proposals in respect of any contract or commitment (including an operating or finance lease for property equipment) involving revenue or expenditure of more than A$300,000 over the term of the contract or commitment, or enters into a joint venture or partnership, excluding any agreements entered into in the ordinary course of business and/or consistent with transactions previously entered into;

(d) (**encumbrances**) a member of the Donaco Group creating, granting or agreeing to any encumbrance over the whole, or a substantial part, of its business or assets, other than a lien that arises by operation of law, legislation or in the usual and ordinary course of business;

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(e) (**finance**) a member of the Donaco Group:

(i) enters into any new financing arrangement, agreement or otherwise provides financial accommodation in excess of A$300,000 other than with a member of the ONR Group or a member of the Donaco Group, or amends the terms of any existing financial arrangement, agreement or instrument in any material respect;

(ii) incurs capital expenditure in excess of A$300,000 per annum;

(iii) waives any material third party default where the financial impact on the Donaco Group will be in excess of A$300,000 (individually or in aggregate in a financial year); or

(iv) accepts as a compromise of a matter less than the full compensation due to a member of the Donaco Group where the financial impact of the compromise on the Donaco Group is more than A$300,000 (individually or in aggregate in a financial year);

(f) (**related party transactions**) a member of the Donaco Group enters into, or resolves to enter into, a transaction with any related party of Donaco (other than a related party which is a member of the Donaco Group), as defined in section 228 of the Corporations Act;

(g) (**new employment agreements**) a member of the Donaco Group employs or agrees to employ any person, the value of whose total annual remuneration is or is to be A$300,000 or more, or enter into any enterprise bargaining agreement or similar collective employment agreement, other than in the ordinary course of business on terms consistent with past practice;

(h) (**varying employment arrangements**) a member of the Donaco Group materially alters, varies or amends any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors, other executives or employees, otherwise materially increases renumeration or, benefits for any of the above, or pays a cash incentive, bonus, termination payment or equivalent amount to any of the above, in each case other than pursuant to:

(i) an increase of base salary in the ordinary course as part of annual remuneration reviews consistent with past practices;

(ii) fees paid to directors of Donaco in accordance Donaco's constitution in connection with genuine special exertions or extra services provided by those directors for the benefit of the Donaco Group (including their work in relation to the Transaction), which must be limited to the amount specified in paragraph (e) of the definition of Permitted Event;

(iii) contractual arrangements in effect on the date of the Scheme Implementation Deed and which are contained in the Donaco Due Diligence Information; or

(iv) Donaco's policies and guidelines in effect on the date of the Scheme Implementation Deed and which are contained in the Donaco Due Diligence Information,

(i) (**advisor engagements**) a member of the Donaco Group amends in any material respect any agreement or arrangement with an adviser existing as at the date of the Scheme Implementation Deed, or enters into any new agreement or arrangement with

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an adviser after the date of the Scheme Implementation Deed, or pays or agrees to pay any discretionary incentive fee to any financial adviser or other professional adviser for the provision of services in respect of the Transaction;

(j) (**employee share schemes**) a member of the Donaco Group amends the terms of an employee share scheme or any other plan or scheme operated for the benefit of directors or employees;

(k) (**settle legal proceedings**) a member of the Donaco Group settles any legal proceeding, disputed claim, investigation, arbitration or other like proceedings where the settlement amount payable exceeds A$300,000;

(l) (**guarantees and indemnities**) a member of the Donaco Group guarantees or indemnifies the obligations of any person, other than in the ordinary course of business and consistent with past practice;

(m) (**accounting policy**) a member of the Donaco Group changes any accounting policy applied by them to report their financial position other than any change in policy required by a change in accounting standards or law;

(n) (**tax**) a member of the Donaco Group does anything that would result in a change to the Donaco consolidated tax group; or

(o) (**agreement**) a member of the Donaco Group agrees to do any of the matters set out above,

other than any Permitted Event, (for the avoidance of doubt, the monetary thresholds set out in this definition exclude any amounts to the extent they are contemplated in the Donaco Disclosure Material).

Donaco Representation and Warranty means a representation and warranty set out in clause 13.1 of the Scheme Implementation Deed.

Donaco Shareholder Scheme Approval means a resolution in favour of the Scheme being passed by the required majorities of Donaco Shareholders under section 411(4)(a)(ii) of the Corporations Act.

Fairly Disclosed means, in relation to a matter, event or circumstance, disclosed by the Donaco Group or their Representatives to any member of the ONR Group or any of their Representatives, in reasonably sufficient detail, so as to allow a reasonable and sophisticated investor experienced in transactions similar to the transactions contemplated by the Scheme Implementation Deed to identify or otherwise determine the nature and scope of the relevant matter, event or circumstance.

ONR Representation and Warranty means a representation and warranty set out in clause 13.2 of the Scheme Implementation Deed.

Permitted Event means any agreement, arrangement, understanding or other transaction, event, occurrence or matter:

(a) that was Fairly Disclosed in the Donaco Disclosure Material or which ought to have been expected to arise from an event, occurrence or matter that was so disclosed;

(b) that is required or permitted to be done, or procured by Donaco, under the Scheme Implementation Deed or the Transaction or the transactions contemplated by either;

(c) in relation to which ONR has consented in writing;

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(d) which arises as a result of a court or Government Agency order, injunction or undertaking or is otherwise required in order to comply with any applicable law or regulation; or

(e) special exertion and retention payments to directors up to an amount of A$150,000 per director.

Regulatory Approvals means:

(a) any approval, consent, waiver, exemption, ruling or declaration from a Government Agency that is necessary, required by law, or which ONR and Donaco agree (acting reasonably) is desirable, to implement the Transaction, including (without limitation) any relief, waiver, confirmation, exemption or consent granted by ASX or ASIC required to implement the Transaction substantially on the terms of the Scheme Implementation Deed and the Scheme; or

(b) in relation to anything that would be fully or partly prohibited or restricted by law if a Government Agency intervened or acting in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Representatives means, in relation to a party:

(a) each of the party's subsidiaries; and

(b) each of the directors, officers, employees, agents, representatives and advisers of the party or any of its subsidiaries.

Reverse Break Fee means A$500,000 (exclusive of GST).

Superior Proposal means a Competing Proposal which the Donaco Board, acting in good faith and after consulting with Donaco's financial and legal advisers, determines:

(a) is reasonably capable of being implemented in accordance with its terms; and

(b) would, if so implemented, likely result in a more favourable outcome for Donaco Shareholders than would result from the implementation of the Transaction, taking into account all terms of the Transaction and the Competing Proposal, including timing, legal, regulatory and financial matters and any conditions precedent.

Third Party means a person other than ONR, a member of the ONR Group, Donaco or a member of the Donaco Group, and that person's related bodies corporate and Associates.

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Annexure B

Scheme of Arrangement

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Scheme of Arrangement

Donaco International Limited
ABN 28 007 424 777

Scheme Shareholders

2025

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THIS SCHEME OF ARRANGEMENT is made on 2025

BETWEEN:

(1) **Donaco International Limited** ABN 28 007 424 777 whose registered office is c/- Lumina IP Pty Limited of Level 43, 25 Martin Place, Sydney, NSW 2000, Australia (**Target**); and

(2) Each person registered as the holder of Target Shares in the Register as at the Record Date other than an Excluded Shareholder (each a **Scheme Shareholder** and together, the **Scheme Shareholders**).

THE PARTIES AGREE AS FOLLOWS:

1. Interpretation

1.1 Definitions

The meanings of the terms used in this Scheme are set out below.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as 'ASX' operated by ASX Limited.

ASX Listing Rules means the listing rules of ASX.

ASX Operating Rules means the official operating rules of ASX.

ATO means the Australian Taxation Office.

Bidder means On Nut Road Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

Bidder Group means Bidder and its related bodies corporate.

Business Day:

(a) when used in relation to the Implementation Date and the Record Date, has the meaning given in the ASX Listing Rules; and

(b) in all other cases, means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, New South Wales, Australia.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited ABN 49 008 504 532.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of New South Wales or Federal Court of Australia (as determined by the Target) or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Target and Bidder.

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Court Order has the meaning given in clause 5.

Deed Poll means the deed poll under which Bidder covenants in favour of the Scheme Shareholders to perform the obligations attributed to Bidder under this Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date has the meaning given to it in the Scheme Implementation Deed, including any variation as permitted under that document.

Excluded Share means a Target Share held by an Excluded Shareholder.

Excluded Shareholder means any member of the Bidder Group that is a holder of Target Shares.

Government Agency means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including ASIC, ATO, ASX, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.

Implementation Date means the fifth Business Day following the Record Date, or such other date as ordered by the Court or agreed in writing by Target and Bidder.

Record Date means 5.00 pm on the day which is two Business Days after the Effective Date or any other date agreed to in writing by Target and Bidder or as may be required by ASX.

Register means the register of members of the Target.

Registered Address means in relation to a Target Shareholder, the address shown in the Register as at the Record Date.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Target and Bidder.

Scheme Consideration means $0.045 cash per Scheme Share.

Scheme Implementation Deed means the scheme implementation deed dated 16 March 2025 between Target and Bidder relating to (among other things) the implementation of this Scheme.

Scheme Meeting means the meeting of the Target Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act, to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Share means a Target Share on issue as at the Record Date, excluding the Excluded Shares.

Scheme Shareholder means a person who holds one or more Scheme Shares, other than the Excluded Shareholder.

Scheme Transfer means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Bidder as transferee, being a master transfer of all of the Scheme Shares.

Second Court Date means the first day on which the Court hears the application for an order under section 411(4)(b) of the Corporations Act approving the Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Target means Donaco International Limited ABN 28 007 424 777.

Target Registry means Boardroom Pty Limited ABN 14 003 209 836 whose registered office is Level 8, 210 George Street Sydney NSW 2000.

Target Share means a fully paid ordinary share in the Target.

Target Shareholder means each person entered in the Register as a holder of Target Shares.

1.2 **Interpretation**

In this Scheme:

(a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;

(b) the singular includes the plural and the plural includes the singular;

(c) words of any gender include all genders;

(d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;

(e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;

(f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;

(g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them (whether passed by the same or another Government Agency with legal power to do so);

(h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;

(i) a reference to **$**, **A$** or **dollar** is to Australian currency;

(j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney, New South Wales, Australia;

(k) words defined in the Corporations Act, and which are not otherwise defined in clause 1.1, have the same meaning given to them in the Corporations Act;

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(l) a reference to a party to a document includes that party's successors and permitted assignees;

(m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;

(n) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:

(i) which ceases to exist; or

(ii) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

(o) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;

(p) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

(q) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00 pm on that day, it is taken to be done on the next day; and

(r) a reference to the ASX Listing Rules and the ASX Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.3 **Interpretation of inclusive expressions**

Specifying anything in this Scheme after the words include or for example or similar expressions does not limit what else is included.

1.4 **Business Day**

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 **Scheme components**

This Scheme includes any schedule to it.

2. Preliminary matters

(a) Target is a public company limited by shares registered in Victoria, Australia, and is admitted to the official list of the ASX. Target Shares are quoted for trading on the securities exchange operated by ASX.

(b) As at the date of the Scheme Implementation Deed, there were on issue 1,235,389,382 Target Shares.

(c) Bidder is a special purpose vehicle that is managed by Argyle Street Management Limited, a licensed fund manager that is regulated by the Securities and Futures Commission in Hong Kong.

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(d) If this Scheme becomes Effective:

(i) Bidder must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with this Scheme and the Deed Poll;

(ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Bidder; and

(iii) Target will enter the name and address of Bidder in the Register in respect of the Scheme Shares.

(e) Target and Bidder have agreed, by executing the Scheme Implementation Deed, to implement (among other things) this Scheme, on and subject to the terms of the Scheme Implementation Deed.

(f) Bidder has executed the Deed Poll under which it covenants in favour of the Scheme Shareholders to perform its obligations under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3. Conditions

3.1 Conditions precedent

This Scheme is conditional on, and will not become Effective unless and until, each of the following conditions precedent is satisfied:

(a) all the conditions in clause 3.2 of the Scheme Implementation Deed (other than the condition in item 2 of clause 3.2 (*Court approval of Scheme*) of the Scheme Implementation Deed) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by 8.00 am on the Second Court Date;

(b) neither the Scheme Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00 am on the Second Court Date;

(c) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act and that are agreed to by Target and Bidder (such agreement not to be unreasonably withheld or delayed);

(d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and that are agreed to by Target and Bidder (such agreement not to be unreasonably withheld or delayed) having been satisfied or waived; and

(e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to section 411(10) of the Corporations Act on or before the End Date (or any later date Target and Bidder agree in writing).

3.2 Certificate

(a) Target and Bidder will each provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied (but in the case of the condition

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precedent in clause 3.1(a), other than the conditions precedent in item 2 of clause 3.2 (Court approval of Scheme)) as at 8.00 am on the Second Court Date.

(b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that the conditions precedent in clauses 3.1(a) and 3.1(b) were satisfied, waived or taken to be waived as at 8.00 am on the Second Court Date.

3.3 **End Date**

This Scheme will lapse and be of no further force or effect if:

(a) the Effective Date does not occur on or before the End Date; or

(b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Target and Bidder otherwise agree in writing (and, if required, such agreement is approved by the Court).

4. Scheme becoming Effective

Subject to clause 3, this Scheme will take effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

5. Lodgement of Court Order with ASIC

If the conditions precedent in clause 3.1 are satisfied or waived, Target must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) (the **Court Order**), as soon as possible after the Court approves this Scheme and in any event by 4.00 pm on the first Business Day after the day on which the Court approves this Scheme (or such later time or date as agreed in writing by Target and Bidder).

6. Transfer of Scheme Shares

On the Implementation Date:

(a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 7.2 and Bidder having provided Target with written confirmation of the provision of the Scheme Consideration, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by Target as attorney and agent for Scheme Shareholders under clause 10.6), by:

(i) Target delivering to Bidder for execution a duly completed Scheme Transfer to transfer all of the Scheme Shares to Bidder, executed on behalf of the Scheme Shareholders by Target as their attorney and agent; and

(ii) Bidder duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Target for registration; and

(b) immediately following receipt of the Scheme Transfer in accordance with clause 6(a)(ii), but subject to the stamping of the Scheme Transfer (if required), Target

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must enter, or procure the entering of, the name of Bidder in the Register as the registered holder of all the Scheme Shares.

7. Scheme Consideration

7.1 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, on the Implementation Date, each Scheme Shareholder will be entitled to the Scheme Consideration for each Scheme Share held by that Scheme Shareholder.

7.2 Provision of Scheme Consideration

(a) Bidder must, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders into an Australian dollar denominated trust account operated by the Target or Target Registry as trustee for the Scheme Shareholders and notified to Bidder at least five Business Days prior to the Implementation Date. Any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account.

(b) On the Implementation Date, subject to receipt of funds from Bidder in accordance with clause 7.2(a), Target must pay or procure the payment, from the trust account referred to in clause 7.2(a) to each Scheme Shareholder the applicable amount of Scheme Consideration that the Scheme Shareholder is entitled for each Scheme Share transferred to Bidder in accordance with this clause 7.

(c) The obligations of Target under clause 7.2(b) will be satisfied by Target (in its absolute discretion, and despite any authority referred to in clause 7.2(c)(i) made or given by the Scheme Shareholder):

(i) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to Target; or

(ii) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (provided that such Scheme Shareholder's Registered Address is outside of New Zealand), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 7.3).

(d) To the extent that, following satisfaction of Target's obligations under clause 7.2(b), there is a surplus in the amount held by Target or the Target Registry as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus must be paid by Target to Bidder.

7.3 Joint holders

In the case of Scheme Shares held in joint names:

(a) any Scheme Consideration required to be provided under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Target, the holder whose name appears first in the Register as at the Record Date or to the joint holders; and

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(b) any other document required to be sent under this Scheme will be forwarded to either, at the sole discretion of Target, the holder whose name appears first in the Register as at the Record Date or to the joint holders.

7.4 **Fractional entitlements and splitting**

(a) Where the calculation of the amount of Scheme Consideration to be paid to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, then the fractional entitlement will be rounded down to the nearest cent.

(b) If Bidder is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Target Shares which results in a fractional entitlement to the Scheme Consideration have, before the Record Date, been party to a shareholding splitting or division in an attempt to obtain an unfair advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, Bidder may direct Target to give notice to those Scheme Shareholders:

(i) setting out the names and Registered Addresses of all of them;

(ii) stating that opinion; and

(iii) attributing to one of them specifically identified in the notice the Target Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those Target Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of this Scheme, be taken to hold no Target Shares.

7.5 **Unclaimed monies**

(a) Target may cancel a cheque issued under this clause 7 if the cheque:

(i) is returned to Target or the Target Registry; or

(ii) has not been presented for payment within six months after the Implementation Date.

(b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Target (or the Target Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Target must reissue a cheque that was previously cancelled under this clause 7.5.

(c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in sections 7 and 8 of the *Unclaimed Money Act 1995* (NSW)).

7.6 **Orders of a court or Government Agency**

If Bidder or Target (or the Target Registry) is required under any applicable law including as a result of any order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency that:

(a) requires payment of a sum to a third party in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by Target in accordance with this clause 7, then Bidder or

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Target shall be entitled to procure that the payment is made in accordance with that law, order, direction or notice; or

(b) prevents Bidder or Target from dispatching payment to any particular Scheme Shareholder in accordance with this clause 7, or such payment is otherwise prohibited by applicable law, Bidder or Target shall be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration, until such time as payment in accordance with this clause 7 is permitted by that (or another) order, direction, notice or otherwise by law,

and the payment or retention by Bidder or Target in accordance with this clause 7.6 will constitute full discharge of Bidder's obligations under clause 7.2 with respect to such payment or retention.

8. Dealings in Target Shares

8.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Target Shares or other alterations to the Register will only be recognised if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Target Shares on or before the Record Date; and

(b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before 5.00 pm on the day on which the Record Date occurs at the place where the Register is kept,

and Target must not accept for registration, nor recognise for any purpose (except a transfer to Bidder pursuant to this Scheme and any subsequent transfer by Bidder or their respective successors in title), any transfer or transmission application or other request received after the Record Date, or received prior to the Record Date but not in registrable or actionable form, as appropriate.

8.2 Register

(a) Target must register, or cause to be registered registrable transmission applications or transfers of Target Shares that are received in accordance with clause 8.1(b) before 5.00 pm on the day on which the Record Date occurs provided that, for the avoidance of doubt, nothing in this clause 8.2(a) requires Target to register a transfer that would result in a Scheme Shareholder holding a parcel of Scheme Shares that is less than a "marketable parcel" (as defined in the ASX Operating Rules).

(b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Target shall be entitled to disregard any such disposal.

(c) For the purpose of determining entitlements to the Scheme Consideration, Target must maintain, or cause to be maintained, the Register in accordance with the provisions of this clause 8.2 until the Scheme Consideration has been paid to the Scheme Shareholders and Bidder has been entered in the Register

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as holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

(d) All statements of holding for the Target Shares (other than statements of holding in favour of Bidder) will cease to have effect after the Record Date as documents of title in respect of those securities and, as from that date, each entry current at that date on the Register (other than entries on the Register in respect of Bidder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

(e) As soon as possible on or after the Record Date, and in any event by 5.00 pm on the second Business Day after the Record Date, Target will ensure that details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder as shown in the Register at the Record Date are available to Bidder in the form that Bidder reasonably requires.

9. Suspension of Quotation of Target Shares and delisting

(a) Target must apply to ASX to suspend trading of the Target Shares on the ASX with effect from the close of trading on the Effective Date or such other date as agreed between Target and Bidder, acting reasonably, following consultation with ASX.

(b) Target must apply to ASX:

(i) for termination of the official quotation of the Target Shares on the ASX; and

(ii) to have itself removed from the official list of the ASX,

in each case, with effect on and from the close of trading on the trading day immediately following the Implementation Date, or such other date as Target and Bidder may agree, acting reasonably, following consultation with ASX.

10. General Scheme provisions

10.1 Further assurances

(a) Target will do all things and execute all deeds, instruments, transfers or other documents (whether on its own behalf or on behalf of each Scheme Shareholder) as may be required by law, the Court or is otherwise reasonably necessary to give full effect to the terms of this Scheme and the transactions contemplated by it.

(b) Without limiting Target's other powers under this Scheme, Target has power to do all things that it considers necessary or desirable to give effect to this Scheme and the transactions contemplated by it.

10.2 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

(a) Target may, by its counsel, consent on behalf of all persons concerned to those alterations or conditions to which Bidder has consented (whether in writing or by its counsel); and

(b) each Scheme Shareholder agrees to any such alterations or conditions which Target has consented to under clause 10.2(a).

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10.3 **Scheme Shareholders' agreements and warranties**

(a) Each Scheme Shareholder irrevocably:

(i) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares to Bidder in accordance with this Scheme;

(ii) agrees and acknowledges that the payment of Scheme Consideration in accordance with clause 7.2(b) constitutes satisfaction of all that person's entitlements under this Scheme;

(iii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme; and

(iv) acknowledges and agrees that this Scheme binds Target and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting),

without the need for any further act by that Scheme Shareholder.

(b) Each Scheme Shareholder is taken (by operation of this Scheme and without the need for any further act by that Scheme Shareholder) to have warranted to Target and Bidder on the Implementation Date, and appointed and authorised Target as its attorney and agent to warrant to Bidder on the Implementation Date, that:

(i) all of their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any security interests within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;

(ii) they have full power and capacity to transfer their Scheme Shares to Bidder together with any rights and entitlements attaching to those Scheme Shares; and

(iii) they have no existing right to be issued any Target Shares, options exercisable into Target Shares, performance rights, convertible notes or any other Target securities.

(c) Target undertakes in favour of each Scheme Shareholder that it will provide the warranties in clause 10.3(b) to Bidder as agent and attorney of each Scheme Shareholder.

10.4 **Title to and rights in Scheme Shares**

(a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Bidder will, at the time of transfer of them to Bidder, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any security interests within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

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(b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 7, Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Target of the name and address of Bidder in the Register as the holder of the Scheme Shares.

10.5 **Appointment of sole proxy**

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 7, and until Target registers Bidder as the holder of all Scheme Shares in the Register, each Scheme Shareholder:

(a) is deemed to have appointed Bidder as attorney and agent (and directed Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;

(b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 10.5(a));

(c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and

(d) acknowledges and agrees that in exercising the powers referred to in clause 10.5(a), Bidder and any director, officer, secretary or agent nominated by Bidder under clause 10.5(a) may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.

10.6 **Authority given to Target**

(a) On and from the Effective Date, each Scheme Shareholder, without the need for any further act, irrevocably appoints Target and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

(i) enforcing the Deed Poll against Bidder, and Target undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Bidder on behalf of and as agent and attorney for each Scheme Shareholder;

(ii) executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer; and

(iii) in the case of Scheme Shares in a CHESS holding:

(A) causing a message to be transmitted to ASX Settlement in accordance with the ASX Settlement Rules so as to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS sub-register of Target to the issuer sponsored sub-register operated by Target or its share registry at any time after Bidder has provided the Scheme Consideration which is due to Scheme Shareholders; and

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(B) completing and signing the Scheme Transfer on behalf of Scheme Shareholders,

and Target accepts each such appointment under this clause 10.6.

(b) Target, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 10.6 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

10.7 **Binding effect of Scheme**

This Scheme binds Target and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target.

11. General

11.1 **Stamp duty**

Bidder will:

(a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by, or made under, or in connection with, the Scheme and the Deed Poll; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 11.1(a).

11.2 **Consent**

Each of the Scheme Shareholders consents to Target doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme and the transactions contemplated by it, whether on behalf of the Scheme Shareholders, Target or otherwise.

11.3 **Notices**

(a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Target's registered office or at the office of the Target Registry.

(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Scheme Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

11.4 **No liability when acting in good faith**

Each Scheme Shareholder agrees (by operation of this Scheme and without the need for any further act by the Scheme Shareholder) that neither Target, Bidder nor any of their respective directors, officers, secretaries or employees shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

11.5 **Governing law and jurisdiction**

(a) This Scheme is governed by the laws in force in New South Wales, Australia.

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(b) The parties irrevocably submit to the exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of, or in connection with, this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

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Annexure C

Deed Poll

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Ashurst

Deed Poll

On Nut Road Limited

in favour of

Scheme Shareholders

18 June 2025

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THIS DEED POLL is made on 18 June 2025

BY:

(1) **On Nut Road Limited** of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (**Bidder**),

in favour of:

(2) each person registered as a holder of fully paid ordinary shares in Donaco International Limited (ABN 28 007 424 777) (**Target**) in the Register as at the Record Date other than an Excluded Shareholder (each a **Scheme Shareholder** and together, the **Scheme Shareholders**).

RECITALS:

(A) On 16 March 2025, Target and Bidder entered into the Scheme Implementation Deed.

(B) The effect of the Scheme will be that, subject to the satisfaction or waiver of certain conditions precedent, all Scheme Shares will be transferred to Bidder in exchange for the Scheme Consideration on the Implementation Date, in accordance with the Scheme and this deed poll.

(C) Bidder enters into this deed poll for the purpose of covenanting in favour of Scheme Shareholders to perform its respective obligations under the Scheme Implementation Deed and the Scheme.

THE PARTIES AGREE AS FOLLOWS:

1. Interpretation

1.1 Definitions

The meanings of the terms used in this deed poll are set out below.

First Court Date means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Insolvency Event means, in respect of a person:

(a) an administrator being appointed to the person;

(b) a controller or analogous person being appointed to the person or any of the person's property;

(c) an application being made to a court for an order to appoint a controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to the person or any of the person's property;

(d) an appointment of the kind referred to in paragraph (c) being made (whether or not following a resolution or application);

(e) the person being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;

(f) an application being made to a court for an order for its winding up;

(g) an order being made, or the person passing a resolution, for its winding up;

(h) the person:

(i) suspending payment of its debts, ceasing (or threatening to cease) to carry on all or a material part of its business, stating that it is unable to pay its debts or being or becoming otherwise insolvent; or

(ii) being unable to pay its debts or otherwise insolvent;

(i) the person taking any step toward entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors;

(j) a court or other authority enforcing any judgment or order against the person for the payment of money or the recovery of any property; or

(k) any analogous event to paragraphs (a) to (j) above occurring in connection with that person under the laws of any applicable jurisdiction,

unless this takes place as part of a solvent reconstruction, amalgamation, merger or consolidation.

Scheme Implementation Deed means the scheme implementation deed dated 16 March 2025 between Target and Bidder relating to (among other things) the implementation of the Scheme.

Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Target and Scheme Shareholders, the form of which is set out in Schedule 3 to the Scheme Implementation Deed or in such other form as is agreed in writing between the parties, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Target and Bidder.

1.2 **General interpretation**

(a) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

(b) Clauses 1.2 (*Interpretation*), 1.3 (*Interpretation of inclusive expressions*), 1.4 (*Business Day*) and 1.5 (*Scheme components*) of the Scheme apply to the interpretation of this deed poll, *mutatis mutandis,* except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 **Nature of this deed poll**

Bidder acknowledges that:

(a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it; and

(b) under the Scheme, each Scheme Shareholder irrevocably appoints Target and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent to enforce this deed poll against Bidder.

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2. Condition precedent and termination

2.1 Condition precedent

This deed poll and the obligations of Bidder under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Bidder under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no further force or effect if:

(a) the Scheme has not become Effective on or before the End Date; or

(b) the Scheme Implementation Deed is terminated in accordance with its terms,

unless Bidder and Target otherwise agree in writing (and, if required, as approved by the Court).

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, then, in addition to and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

(a) Bidder is released from its obligations to further perform this deed poll except those obligations contained in clause 7.1 and any other obligations which by their nature survive termination; and

(b) each Scheme Shareholder retains the rights, powers or remedies they have against Bidder in respect of any breach of this deed poll which occurs before it is terminated.

3. Scheme Consideration

3.1 Compliance with Scheme obligations generally

Subject to clause 2, Bidder undertakes in favour of each Scheme Shareholder to observe and perform the steps attributed to it under, and otherwise to comply with, the Scheme, subject to and in accordance with the terms of the Scheme.

3.2 Provision of Scheme Consideration

Subject to clause 2 and subject to and in accordance with the terms of the Scheme, Bidder undertakes to, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate Scheme Consideration payable to all Scheme Shareholders under the Scheme into an Australian dollar denominated trust account operated by Target or Target Registry as trustee for the Scheme Shareholders and notified to Bidder at least five Business Days prior to the Implementation Date. Any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account.

4. Representations and warranties

Bidder represents and warrants in favour of each Scheme Shareholder that:

(a) (**status**) it is a validly existing corporation registered under the laws of its place of incorporation;

(b) (**power**) it has full legal capacity and power to enter into this deed poll and carry out the transactions that this deed poll contemplates in accordance with its terms;

(c) (**corporate authority**) it has taken all corporate action that is necessary or desirable to authorise it entering into this deed poll and carrying out the transactions that this deed poll contemplates in accordance with its terms;

(d) (**validity of obligations**) this deed poll constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;

(a) (**no contravention**) neither its execution of this deed poll nor the carrying out by it of the transactions that this deed poll contemplates in accordance with its terms, does or will contravene:

(i) any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;

(ii) any undertaking or instrument binding on it or any of its property; or

(iii) its constituent documents;

(b) (**solvency**) neither it nor any of its subsidiaries is affected by an Insolvency Event; and

(c) (**not representative capacity**) it is not entering into this deed poll as trustee of any trust or settlement or otherwise in a representative capacity.

5. Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

(a) Bidder has fully performed its obligations under this deed poll; or

(b) the earlier termination of this deed poll under clause 2.2.

6. Notices

6.1 How to give a notice

A notice, consent or other communication under this deed poll is only effective if it is:

(a) in writing, signed by or on behalf of the person giving it;

(b) addressed to the person to whom it is to be given; and

(c) either:

(i) delivered or sent by pre-paid mail to that person's address; or

(ii) sent in electronic form (such as email).

6.2 When a notice is given

A notice, consent or other communication that complies with this clause is regarded as given and received:

(a) if it is delivered by hand:

(i) by 5.00 pm (local time in the place of receipt) on a Business Day – on that day; or

(ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day – on the next Business Day; and

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(b) if it is sent by mail:

(i) within Australia – three Business Days after posting; or

(ii) to or from a place outside Australia – seven Business Days after posting.

(c) if it is sent in electronic form:

(i) if it is transmitted by 5.00 pm on a Business Day – when sent; or

(ii) if it is transmitted after 5.00 pm on a Business Day or on a day that is not a Business Day – on the next Business Day,

provided that no notice of failure of transmission or other error message is received by the sender.

6.3 **Address for notices**

A person's address and email address are those set out below, or as the person notifies the sender:

Target

Address:	c/-Rod Sutton Director Chairman of Audit 20/F, CITIC Tower 1 Tim Mei Avenue Admiralty, Hong Kong 香港金鐘添美道 1 號中信大廈 20 樓
Email:	Rod.Sutton@farestructuring.com
Attention:	Roderick John Sutton

Copy to (which shall not constitute notice):

Address:	Level 10, 123 St Georges Terrace, Perth, WA 6000, Australia
Email:	murray.wheater@ashurst.com, josh.walsh@ashurst.com and jemimah.giblett@ashurst.com
Attention:	Murray Wheater, Josh Walsh, and Jemimah Giblett

Bidder

Address:	Unit 601-2, St. George's Building, 2 Ice House Street, Central, Hong Kong
Email:	kurkye.wong@asmhk.com
Attention:	Kurkye Wong

Copy to (which shall not constitute notice):

Address:	Level 37, 180 George Street, Sydney NSW 2000
Email:	guy.sanderson@hamiltonlocke.com.au
Attention:	Guy Sanderson, Hamilton Locke

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7. General

7.1 Stamp duty and registration fees

Bidder:

(a) will pay all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this deed poll or any other transaction contemplated by this deed poll (including any fees, fines, penalties and interest in connection with any of these amounts); and

(b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Variation

A provision of this deed poll or any right created under it may not be varied, altered or otherwise amended unless:

(a) if before the First Court Date, the variation is agreed to by Target and Bidder in writing (which such agreement may be given or withheld without reference to, or approval by, any Scheme Shareholder); and

(b) if on or after the First Court Date, the variation is agreed to by Target and Bidder in writing (which such agreement may be given or withheld without reference to, or approval by, any Scheme Shareholder) and the Court indicates that the variation, alteration or amendment would not of itself preclude approval of the Scheme,

in which event Bidder must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation, alteration or amendment.

7.3 Waiver

(a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this deed poll by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

(b) A waiver or consent given by a party under this deed poll is only effective and binding on that party if it is given or confirmed in writing by that party.

(c) No waiver of a breach of a term of this deed poll operates as a waiver of another breach of that term or of a breach of any other term of this deed poll.

7.4 Remedies cumulative

The rights, powers and remedies of Bidder and each Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

7.5 Assignment or other dealings

(a) The rights created by this deed poll are personal to Bidder and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Bidder.

(b) Any purported dealing in contravention of clause 7.5(a) is invalid.

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7.6 **Further action**

Bidder must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

7.7 **Governing law and jurisdiction**

(a) This deed poll and any dispute arising out of or in connection with the subject matter of this deed poll is governed by the laws of the State of New South Wales, Australia.

(b) Bidder:

(i) submits to the non-exclusive jurisdiction of the courts of that State, and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of this deed poll; and

(ii) waives any right it has to object to any legal process being brought in those courts including any claim that the process has been brought in an inconvenient forum or that those courts do not have jurisdiction.

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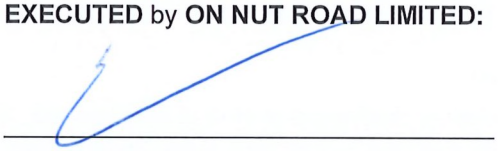
EXECUTED AND DELIVERED as a deed poll.

EXECUTED by **ON NUT ROAD LIMITED:**



Signature of director

Kin Chan on behalf of Adriatic Sea Management Limited

Sole Director of On Nut Road Limited

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Annexure D

Notice of Scheme Meeting

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DONACO INTERNATIONAL LIMITED ACN 007 424 777
(Donaco or the Company)

NOTICE OF SCHEME MEETING

Notice

Notice is given by order of the Supreme Court of New South Wales, made on 20 June 2025 pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), that a meeting of Donaco Shareholders will be held at:

TIME: 10.00 am (AEST)

DATE: 4 August 2025

PLACE: Ashurst, Level 8, 39 Martin Place, Sydney NSW 2000 and online viewing via the live webcast at https://attendee.gotowebinar.com/register/451867840927035223.

The explanatory notes that accompany and form part of this Notice of Scheme Meeting describe in more detail how to participate in the Scheme Meeting in person or view the Scheme Meeting online via the live webcast. Please ensure you read the explanatory notes in full.

Chairperson

The Court has directed that Mr Porntat Amatavivadhana (Non-Executive Chairman), or failing him, Mr Andrew Phillips, be Chair of the Scheme Meeting and has directed the Chair to report the result of the Scheme Meeting to the Court.

Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without alterations or conditions made or required by the Court) proposed to be made between Donaco and Donaco Shareholders (**Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet that accompanies this Notice of Scheme Meeting. Capitalised terms used but not defined in this Notice of Scheme Meeting have the defined meanings set out in section 10 (*Glossary*) of the Scheme Booklet.

Scheme Resolution

To consider and, if thought fit, to pass the following resolution:

'That pursuant to, and in accordance with, section 411 of the Corporations Act 2001 (Cth):

(a) *the Scheme proposed between the Company and the holders of its fully paid ordinary shares (other than an Excluded Shareholder), the terms of which are contained in and more precisely described in the Scheme Booklet of which the notice convening this meeting forms part, is approved, with or without alterations or conditions as approved by the Court to which the Company and On Nut Road Limited agree; and*

(b) *the Company is authorised, subject to the terms of the Scheme Implementation Deed, to:*

(i) *agree to any such alterations or conditions; and*

(ii) *subject to approval by the Court, implement the Scheme with any such alterations or conditions.'*

Important note

The Chair of the Scheme Meeting intends to vote all valid undirected proxies which they receive **for** or **in favour of** the Scheme Resolution.

Dated 23 June 2025

By order of the Court



Joan Dabon
Company Secretary
23 June 2025

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EXPLANATORY NOTES

General

These explanatory notes should be read in conjunction with the Notice of Scheme Meeting and the information in the Scheme Booklet. These explanatory notes and the Notice of Scheme Meeting form part of the Scheme Booklet.

Capitalised terms used but not defined in the Notice of Scheme Meeting and in these explanatory notes, have the same meaning as set out in the Glossary in section 10 (*Glossary*) of the Scheme Booklet.

Meeting format

The Scheme Meeting will be held as an in person meeting. This means that Donaco Shareholders and their authorised proxies, attorneys and corporate representatives will be able to attend the meeting in person at Ashurst, Level 8, 39 Martin Place, Sydney NSW 2000 or may view the Scheme Meeting online via the live webcast at https://attendee.gotowebinar.com/register/4518678409270352 23. Donaco Shareholders watching online will not be able to vote, ask questions, or make comments via the webcast.

Donaco Shareholders who are unable to attend the Scheme Meeting (or choose not to) are strongly encouraged to submit a proxy form as early as possible and in any event by 10.00 am (AEST) on Saturday, 2 August 2025 following the instructions below.

Voting eligibility

The Donaco Directors have determined that the time for determining eligibility to vote at the Scheme Meeting is 10.00 am (AEST) on Saturday, 2 August 2025. Share transfers registered after this time will be disregarded for determining a Donaco Shareholder's entitlement to take part in and vote at the Scheme Meeting. The remaining comments in these explanatory notes are addressed to Donaco Shareholders entitled to participate in and vote at the Scheme Meeting.

Participating in the Scheme Meeting

- **Participating in person**

  All persons attending the Scheme Meeting in person are asked to arrive 30 minutes before the time scheduled for the Scheme Meeting to commence, so that their shareholding can be checked against the Register, any power of attorney or certificate of appointment of corporate representative verified and their attendance noted.

  If it becomes necessary or appropriate to make alternative arrangements to hold the Scheme Meeting to that set out in this notice, Donaco Shareholders will be given as much notice as possible. Information relating to alternative arrangements will be communicated to shareholders through an announcement to the ASX and Donaco's website at www.donacointernational.com.

- **Watching via the webcast**

  Donaco Shareholders may watch a live webcast of the Scheme Meeting online at https://attendee.gotowebinar.com/register/4518678409270352 23. Donaco Shareholders watching online will not be able to participate in the Scheme Meeting, vote, ask questions, or make comments via the webcast.

How you can vote

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Voting at the Scheme Meeting will be conducted by poll.

If you are a Donaco Shareholder entitled to vote at the Scheme Meeting, you may vote:

- **by attending the Scheme Meeting in person**, at Ashurst, Level 8, 39 Martin Place, Sydney NSW 2000;
- **by proxy**, by appointing one or two proxies to attend the Scheme Meeting and vote on your behalf, by completing and submitting the Proxy Form in accordance with the instructions on that form and these explanatory notes. To be valid, your completed Proxy Form must be received by the Share Registry by 10.00 am (AEST) on Saturday, 2 August 2025;
- **by attorney**, by appointing an attorney to participate in and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the Share Registry; or
- **by corporate representative**, in the case of a body corporate, appointing a corporate representative to participate in and vote at the Scheme Meeting on your behalf, and providing a duly executed 'Appointment of Corporate Representative' form (in accordance with section 250D of the Corporations Act) prior to the Scheme Meeting as set out in further detail below.

Voting

- **Voting in person during the Scheme Meeting**

  Donaco Shareholders and their authorised proxies, attorneys and corporate representatives who are attending in person may vote by using a poll card which will be made available to Donaco Shareholders or authorised persons at the meeting.

- **Voting by proxy**

  A Donaco Shareholder who is entitled to participate in and vote at the Scheme Meeting is entitled to appoint not more than two proxies to attend and vote in place of that Donaco Shareholder.

  If the Donaco Shareholder appoints two proxies, the Donaco Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Donaco Shareholder's votes.

  A proxy need not be a Donaco Shareholder, and may be an individual or a body corporate. A body corporate appointed as a Donaco Shareholder's proxy must ensure that it appoints an individual as its corporate representative to exercise any of the powers the body may exercise as a proxy at the Scheme Meeting in accordance with sections 250D and 253B of the Corporations Act. The representative should bring to the Scheme Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

  Subject to the specific proxy provisions applying (see the explanatory notes below):

  - if a Donaco Shareholder has not directed their proxy how to vote, the proxy may vote (or abstain from voting) as the proxy determines, and
  - if a Donaco Shareholder appoints the Chair of the Scheme Meeting as proxy and does not direct the Chair how to vote on an item of business, **the Chair intends to vote all undirected proxies in favour of the Scheme Resolution.**

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- **Voting by attorney**

  A Donaco Shareholder who is entitled to participate in and vote at the Scheme Meeting is entitled to appoint a person (whether a Donaco Shareholder or not) as its attorney to attend and vote at the Scheme Meeting.

  The power of attorney appointing your attorney to participate in and vote at the meeting must be duly executed by you and specify your name, the company (that is, Donaco), details of the holding the power of attorney is representing and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

  A person attending the Scheme Meeting as an attorney must provide the Share Registry with an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Scheme Meeting at any time before the Scheme Meeting unless it has been previously provided to the Share Registry.

- **Voting by corporate representative**

  A Donaco Shareholder who is entitled to participate in and vote at the Scheme Meeting that is a body corporate or a proxy that is a body corporate may elect to appoint an individual as its corporate representative to attend the Scheme Meeting. The appointment of the representative must comply with the requirements under sections 250D and 253B of the Corporations Act. A corporate representative of a Donaco Shareholder that is a body corporate attending the meeting should provide the Share Registry with the necessary evidence of their appointment by providing that individual with:

  - a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the Company's constitution; or
  - a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

  Boardroom's standard Appointment of Corporate Representative Form can be obtained here: https://boardroomlimited.com.au/wordpress/wp-content/uploads/2021/05/Appointment-of-Corporate-Representative.pdf.

  The appointment form (and accompanying necessary evidence) may be received by the Share Registry any time before the Scheme Meeting.

- **How to submit a Proxy Form**

  To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Share Registry, as an original or by facsimile, **no later than** 10.00 am (AEST) on Saturday, 2 August 2025 (being 48 hours before the time of the Scheme Meeting).

  Proxy forms received after this time will be invalid.

  Proxy forms may be submitted in one of the following ways:

  - **Online**: via https://www.votingonline.com.au/dnascheme2025;
  - **Mobile**: by scanning the QR Code on the Proxy Form provided to you and following the prompts;

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- **Mail**: to Boardroom Pty Limited using the reply-paid envelope or GPO Box 3993, Sydney NSW 2001. Please allow sufficient time so that it reaches Boardroom Pty Limited by the proxy deadline stated above;
- **Fax**: complete and sign the proxy form provided to you and fax the form to + 61 2 9290 9655; and
- **In person:** complete and sign the proxy form provided to you and deliver the proxy form to Boardroom in person at Level 8, 210 George Street, Sydney NSW 2000.

Jointly held securities

If you hold Donaco Shares jointly with one or more persons, you may vote at the Scheme Meeting either personally or by proxy, attorney or corporate representative as if that person was the sole holder. If more than one joint holder tenders a vote in respect of the relevant Donaco Shares, the vote of the holder named first in the Register who tenders a vote, whether in person or by proxy, attorney or corporate representative, will be accepted to the exclusion of the votes of the other joint holders.

Questions from Donaco Shareholders

Donaco Shareholders who would like to ask questions at the Scheme Meeting are invited to do so in writing before the Scheme Meeting:

- **Email:** by emailing their question(s) to enquiries@boardroomlimited.com.au;
- **Online:** by submitting their question(s) in the relevant section when lodging their online proxy at https://www.votingonline.com.au/dnascheme2025; or
- **Mail:** by mailing a letter with their question(s) together with their hard copy proxy form,

in each case prior to 10.00 am (AEST) on Saturday, 2 August 2025.

Donaco Shareholders and their authorised proxies, attorneys and corporate representatives attending the Scheme Meeting in person will have the opportunity to ask questions or make comments to the Donaco Board during the Scheme Meeting.

In the interests of all present, please confine your questions to matters before the Scheme Meeting that are relevant to Donaco Shareholders as a whole. Due to time constraints, Donaco cannot guarantee that all questions asked prior to or at the Scheme Meeting will be answered.

Scheme Resolution

- **Scheme Booklet**

  To enable you to make an informed decision about taking part in the Scheme Meeting and voting on the Scheme Resolution, further information on the Scheme is set out in the Scheme Booklet, of which this Notice of Scheme Meeting forms part. You should read the Scheme Booklet and its appendices in full before making a decision whether, and as to how, you intend to vote on the Scheme Resolution.

  The purpose of the Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved), to provide information required by law and to provide any other information that is material to the making of a decision by Donaco Shareholders whether or not to vote in favour of the Scheme.

- **Shareholder approval of the Scheme Resolution**

  For the Scheme to proceed and be implemented, the Scheme Resolution must be approved by the Requisite Majorities of Donaco Shareholders, being:

  - unless the Court orders otherwise, a majority in number (more than 50%) of Donaco Shareholders (other than an Excluded Shareholder) present and voting (personally or by proxy, attorney or corporate representative) at the Scheme Meeting; and
  - at least 75% of the votes cast on the Scheme Resolution by Donaco Shareholders (other than an Excluded Shareholder).

  The Court has discretion under section 411(4)(a)(ii)(A) of the Corporations Act to approve the Scheme if it is approved by at least 75% of the votes cast on the resolution but not by majority in number of Donaco Shareholders present and voting at the Scheme Meeting.

- **Court approval**

  In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without alterations or conditions required by the Court) must be approved by the Court. The Court has discretion whether or not to approve the Scheme, even if the Scheme Resolution is approved by the Requisite Majorities of Donaco Shareholders.

  In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Further information

Further information concerning the Scheme Resolution and the Scheme is set out in the Scheme Booklet.

A copy of the Scheme Booklet can be obtained by anyone from ASX's website (www.asx.com.au) (ASX:DNA), Donaco's website at www.donacointernational.com, or by contacting Donaco using the details below.

Further information for Donaco Shareholders is set out in the Scheme Booklet. If you have any questions of a general nature, please contact either:

- email your question(s) to donaco@fticonsulting.com; or
- call +61 8 6430 1300 between 9.00 am and 5.00 pm (AWST) Monday to Friday, excluding public holidays in Perth.

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Annexure E

Independent Expert's Report

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Donaco International Limited

Independent Expert's Report

20 June 2025

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FINANCIAL SERVICES GUIDE

Dated: 20 June 2025

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 ('BDOCF' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDOCF holds an Australian Financial Services Licence to provide the following services:

a) Financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, and interests in managed investment schemes excluding investor directed portfolio services;

b) Arranging to deal in financial products in relation to securities; and

c) Applying for, acquiring, varying or disposing of a financial product in relation to interests in managed investment schemes excluding investor directed portfolio services, and securities.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently, any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDOCF has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDOCF has been engaged to provide an independent expert's report to the shareholders of Donaco International Limited ('Donaco' or 'the Company') in relation to the acquisition of all outstanding Donaco shares not already held by On Nut Road Limited via a scheme of arrangement ('the Proposed Transaction').

Further details of the Proposed Transaction are set out in Section 4. The scope of this Report is set out in detail in Section 3.3. This Report provides an opinion on whether or not the Proposed Transaction is 'fair and reasonable' to, and in the 'best interests' of, the non-associated Donaco shareholders ('the Non-Associated Shareholders') and has been prepared to provide information to the Non-Associated Shareholders to assist them to make an informed decision on whether to vote in favour of or against the Proposed Transaction. Other important information relating to this Report is set out in more detail in Section 3.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to vote in favour of or against the Proposed Transaction is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, Commissions and Other Benefits we may Receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately $275,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Transaction.

Except for the fees referred to above, neither BDOCF, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDOCF may receive a share in the profits of BDO Group Holdings Limited, a parent entity of BDOCF. All directors and employees of BDO Group Holdings Limited and its subsidiaries (including BDOCF) are entitled to receive a salary. Where a director of BDOCF is a shareholder of BDO Group Holdings Limited, the person is entitled to share in the profits of BDO Group Holdings Limited.

Associations and relationships

From time to time BDOCF or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. While BDOCF has not provided any professional services to Donaco, we note that BDO Audit Pty Ltd (a related entity of BDOCF) has provided professional services including being Donaco's current external auditor.

The signatories to this Report do not hold any shares in Donaco and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which are publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

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Complaints Resolution

Internal Complaints Resolution Process

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the BDO Complaints Policy available on our website.

Referral to External Dispute Resolution Scheme

BDO Corporate Finance is a member of Australian Financial Complaints Authority ('AFCA') (Member Number 10236).

Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the AFCA using the contact details set out below.

Australian Financial Complaints Authority Limited
Mail: GPO Box 3, Melbourne VIC 3001
Online Address: http://www.afca.org.au
Email: info@afca.org
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter Service: 131 450

Compensation Arrangements

BDOCF and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDOCF or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDOCF satisfy the requirements of section 912B of the Corporations Act 2001.

Contact Details

BDO Corporate Finance Ltd

Location Address:	Postal Address:
Level 10 12 Creek Street BRISBANE QLD 4000	GPO Box 457 BRISBANE QLD 4001
Phone: (07) 3237 5999	Email: cf.brisbane@bdo.com.au
Fax: (07) 3221 9227	

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Brisbane, QLD 4000
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Australia

PART I: ASSESSMENT OF THE PROPOSED TRANSACTION

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The Non-Associated Shareholders
Donaco International Limited
C/- Non-Associated Directors
Lumina, Level 43
25 Martin Place
Sydney, NSW, Australia, 2000

20 June 2025

Dear Non-Associated Shareholders,

1.0 Introduction

BDO Corporate Finance Ltd ('BDOCF', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the non-associated shareholders ('the Non-Associated Shareholders') of Donaco International Limited ('Donaco' or 'the Company') in relation to the acquisition of all outstanding Donaco shares not already held by On Nut Road Limited ('ONR') ('the Proposed Transaction').

The Proposed Transaction has been entered into by way of a binding scheme implementation deed between Donaco and ONR for the implementation of a scheme of arrangement ('the Scheme') under Part 5.1 of the Corporations Act 2001 ('the Corporations Act'). We note that under the Scheme, the Non-Associated Shareholders will receive cash consideration of A$0.045 from ONR for each Donaco share held ('the Cash Consideration'). A more detailed description of the Proposed Transaction is set out in Section 4.

In this Report, BDOCF has expressed an opinion as to whether or not the Proposed Transaction is 'fair and reasonable' to, and in the 'best interests' of, the Non-Associated Shareholders. This Report has been prepared solely for use by the Non-Associated Shareholders to provide them with information relating to the Proposed Transaction. The scope and purpose of this Report are detailed in Sections 3.3 and 3.4, respectively.

This Report, including Part I, Part II and the appendices, should be read in full along with all other documentation provided to the Non-Associated Shareholders including the scheme booklet prepared by Donaco and dated on or about 20 June 2025 ('the Scheme Booklet').

BDO Corporate Finance Ltd ABN 54 010 185 725 AFS Licence No. 245513 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

2.0 Assessment of the Proposed Transaction

This section is set out as follows:

- Section 2.1 sets out the methodology for our assessment of the Proposed Transaction;
- Section 2.2 sets out our assessment of the fairness of the Proposed Transaction;
- Section 2.3 sets out our assessment of the reasonableness of the Proposed Transaction; and
- Section 2.4 provides our assessment of whether the Proposed Transaction is fair and reasonable to, and in the best interests of, the Non-Associated Shareholders.

2.1 Basis of evaluation

The Australian Securities and Investments Commission ('ASIC') have issued Regulatory Guide 111: *Content of Expert Reports* ('RG 111'), which provides guidance in relation to independent expert's reports. RG 111 relates to the provision of independent expert's reports in a range of circumstances, including those where the expert is required to provide an opinion in relation to a takeover transaction. RG 111 states that the independent expert's report should explain the particulars of how the transaction was examined and evaluated as well as the results of the examination and evaluation.

The Proposed Transaction involves ONR acquiring all the issued shares in Donaco that it does not already own and represents a controlling interest. RG 111 specifically differentiates between control and non-control transactions in providing guidance on the type of analysis to complete. RG 111 suggests that where the transaction is a control transaction the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. In our opinion the Proposed Transaction is a control transaction as defined by RG 111 and we have assessed the Proposed Transaction by considering whether, in our opinion, it is fair and reasonable to, and in the best interests of, the Non-Associated Shareholders.

Under RG 111, a transaction will be considered 'fair' if the value of the consideration to be received by the shareholders is equal to or greater than the value of the shares that are the subject of the transaction. To assess whether a transaction is 'reasonable', an expert should examine other significant factors to which shareholders may give consideration prior to accepting or approving the transaction. This includes comparing the likely advantages and disadvantages if the transaction is approved with the position of the shareholders if the transaction is not approved.

RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to vote in favour of a transaction in the absence of a higher bid. Our assessment concludes by providing our opinion as to whether or not the Proposed Transaction is 'fair and reasonable'. While all relevant issues need to be considered before drawing an overall conclusion, we will assess the fairness and reasonableness issues separately for clarity.

If our opinion of the Proposed Transaction is that it is 'fair and reasonable' then we will also be able to conclude that the Proposed Transaction is in the 'best interests' of the Non-Associated Shareholders. If our opinion of the Proposed Transaction is that it is 'not fair but reasonable', we may still conclude that the Proposed Transaction is in the best interests of the Non-Associated Shareholders. In this circumstance, we will clearly state that the Cash Consideration is not equal to or greater than the value of a Donaco share, but that there are sufficient reasons for the Non-Associated Shareholders to vote in favour of the Proposed Transaction in the absence of a superior proposal. If our opinion of the Proposed Transaction is that it is 'not fair and not reasonable', we will conclude that the Proposed Transaction is 'not in the best interests of the Non-Associated Shareholders'.

We have assessed the fairness and reasonableness of the Proposed Transaction in Sections 2.2 and 2.3 below and provide an opinion on whether the Proposed Transaction is 'fair and reasonable' to, and in the 'best interests' of, the Non-Associated Shareholders in Section 2.4 below.

2.2 Assessment of fairness

2.2.1 Basis of assessment

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject to the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject to an offer in a control transaction the expert should consider this value inclusive of a control premium and assume a 100% ownership interest.

In our view, it is appropriate to assess the fairness of the Proposed Transaction to the Non-Associated Shareholders as follows:

a) Determine the value of a share in Donaco on a controlling interest basis prior to the Proposed Transaction; and

b) Compare the value of a) above with the value of the cash consideration ('the Cash Consideration') to be received by the Non-Associated Shareholders for each Donaco share.

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In accordance with the requirements of RG 111, the Proposed Transaction can be considered 'fair' to the Non-Associated Shareholders if the consideration offered per ordinary share is equal to or greater than the value determined in a) above.

2.2.2 Value of a Donaco Share prior to the Proposed Transaction on a controlling interest basis

In our view, for the purposes of the analysis set out in this Report, it is appropriate to adopt a value in the range of A$0.041 to A$0.064 per Donaco share on a controlling interest basis. In forming this view, we considered a summation methodology, a valuation based on the share transaction approach and cross-checked these results with the comparable guideline method.

In completing our summation valuation, we have relied on the work of Knight Frank Petty Limited ('Knight Frank') who we engaged to provide their view on the value of Donaco's properties (being the Aristo International Hotel ('Aristo'), the Star Vegas Resort & Club ('Star Vegas') and the Lao Cai International Hotel).

We note that Knight Frank has provided a separate report for each of the three properties, we refer to the three Knight Frank Independent Technical Specialist Reports dated 4 June 2025 collectively as 'the Knight Frank Reports' or individually as 'the Aristo Valuation Report', 'the Star Vegas Valuation Report' and 'the Lao Cai International Hotel Valuation Report'. We have attached the Knight Frank Reports as Appendices D, E and F of this Report. While Knight Frank has provided us with information which indicates they have the requisite experience to assess the market value of the properties and assets held by Donaco and listed above, we are not responsible for the Knight Frank Reports.

In completing our share transactions approach, we have had reference to trading Donaco shares up to and including 14 March 2025, being the last date Donaco traded prior to the announcement of the Proposed Transaction ('the Undisturbed Date').

Our valuation of Donaco is set out in Section 8.

2.2.3 Value of the Cash Consideration offered under the Proposed Transaction

Under the Proposed Transaction, the Non-Associated Shareholders will receive a cash payment of A$0.045 per Donaco share held on the date which is two days before the Scheme is effective (i.e. the Cash Consideration).

2.2.4 Assessment of the fairness of the Proposed Transaction

In order to assess the fairness of the Proposed Transaction, it is appropriate to compare the value of a Donaco share on a controlling interest basis with the Cash Consideration. Pursuant to RG 111, the Proposed Transaction is considered fair if the value of the consideration is equal to or greater than the value of the securities subject to the Proposed Transaction (i.e. the value per Donaco share).

Table 2.1 below summarises our assessment of the fairness of the Proposed Transaction.

Table 2.1: Assessment of the fairness of the Offer / the Proposed Transaction

	Low	High
Value of a Donaco share prior to the Proposed Transaction (controlling interest)	A$0.041	A$0.064
Value of the Cash Consideration	A$0.045	A$0.045

Source: BDOCF Analysis

Figure 2.1 summarises our assessment of the fairness of the Proposed Transaction, setting out a graphical comparison of our valuation of a Donaco share prior to the Proposed Transaction on a controlling interest basis and the Cash Consideration offered to the Non-Associated Shareholders under the Proposed Transaction.

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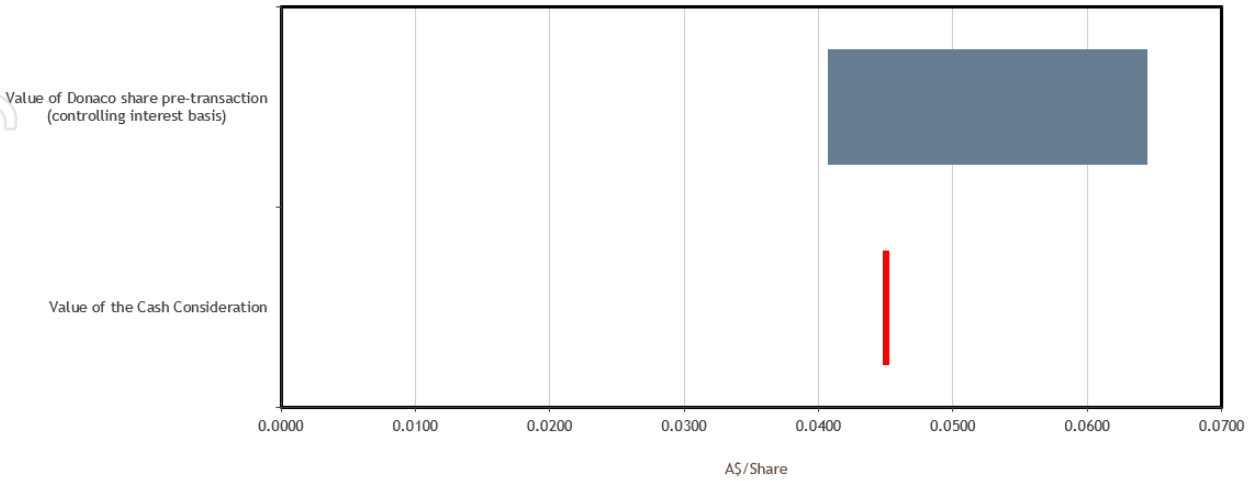
Figure 2.1: Fairness of the Proposed Transaction



Source: BDOCF analysis

With reference to Table 2.1 and Figure 2.1, we note that the Cash Consideration of A$0.045 is in the range of the value of a Donaco share prior to the Proposed Transaction on a controlling interest basis.

After considering the information summarised above and set out in detail in the balance of this Report, it is our view that, in the absence of any other information or a superior proposal, the Proposed Transaction is Fair to the Non-Associated Shareholders as at the date of this Report.

2.3 Assessment of reasonableness

2.3.1 Basis of assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 2.2 above, to assess whether the Proposed Transaction is 'reasonable' we consider it appropriate to examine other significant factors to which the Non-Associated Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Proposed Transaction. This includes comparing the likely advantages and disadvantages of approving the Proposed Transaction with the position of a Non-Associated Shareholder if the Proposed Transaction is not approved, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Proposed Transaction is set out as follows:

- Section 2.3.2 sets out the advantages of the Proposed Transaction to the Non-Associated Shareholders;
- Section 2.3.3 sets out the disadvantages of the Proposed Transaction to the Non-Associated Shareholders;
- Section 2.3.4 sets out discussion of other considerations relevant to the Proposed Transaction;
- Section 2.3.5 sets out the position of the Non-Associated Shareholders if the Proposed Transaction is not approved; and
- Section 2.3.6 provides our opinion on the reasonableness of the Proposed Transaction to the Non-Associated Shareholders.

2.3.2 Advantages of the Proposed Transaction

Table 2.2 below outlines the potential advantages to the Non-Associated Shareholders of voting in favour of the Proposed Transaction.

Table 2.2: Potential advantages of the Proposed Transaction

Advantage	Explanation
The Proposed Transaction is fair	As set out in Section 2.2.4 above, the Proposed Transaction is fair to the Non-Associated Shareholders as at the date of this Report. RG 111 states that an offer is reasonable if it is fair.
The current offer price is known	If the Proposed Transaction is approved and implemented, the Non-Associated Shareholders have certainty that they will receive A$0.045 for each Donaco share held on the date which is two days before the Proposed Transaction is effective. The Non-Associated Shareholders will no longer be exposed to the ongoing risks associated with holding shares in Donaco. While the value of the Cash Consideration under the Proposed Transaction is certain, we note that it may be possible, assuming sufficient liquidity, for the Non-Associated Shareholders to sell their shares on the ASX for a price that is broadly in line with the Cash Consideration. By way of example, from 17 March 2025 (being the announcement date of the Proposed Transaction) to 28 May 2025, Donaco shares have traded in the range of A$0.039 to A$0.044.

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Advantage	Explanation
The Cash Consideration is at a premium to the price that Donaco shares traded at prior to the Proposed Transaction	As outlined in Table 5.7, ASX trading of Donaco shares prior to the announcement of the Proposed Transaction has been at VWAPs in the range from A$0.0310 (1-week VWAP up to and including the Undisturbed Date) to A$0.0319 (12-month VWAP up to and including the Undisturbed Date), with a low and high daily VWAP of $0.026 and $0.039 respectively. The Cash Consideration of A$0.045 per share is at a premium to the price that Donaco shares have traded on the ASX prior to the announcement of the Proposed Transaction.
Liquidity event to monetise your investment in Donaco	The Offer provides a liquidity event for shareholders to monetise their investment in Donaco. Donaco has a tightly held share structure, as outlined in Table 5.5, with 94.51% of shares concentrated among just 5.46% of shareholders (73 out of 1,337). Additionally, as outlined in Table 5.8, over the 12 months to 14 March 2025 (i.e. the Undisturbed Date), only 4.71% of the total shares on issue were traded, highlighting the low liquidity of Donaco's shares and the difficulty shareholders may face in realising the value of their investments through the open market. Additionally, while the summation valuation methodology we have applied reflects the combined theoretical worth of Donaco's assets, practical limitations (i.e. transaction costs, market uncertainties, and the complexities of the asset sales/winding-up process) may mean the net value realised could materially differ to that estimated in this Report. The Proposed Transaction provides a rare opportunity for Non-Associated Shareholders to monetise their holdings at a premium to recent market prices, bypassing the constraints of low trading volumes and market depth, or alternative sales processes for asset realisation. For larger shareholders, in particular, the Proposed Transaction allows for the realisation of value without the risk of depressing the share price through large-scale disposals.
A superior proposal has not emerged	The non-associated Directors of Donaco ('Non-Associated Directors') have advised that, as at the date of this Report, a superior proposal to the Proposed Transaction has not been received by the Company and the Non-Associated Directors are not aware of any superior proposal that is likely to emerge.
No brokerage charges	As outlined in the Scheme Booklet, the Non-Associated Shareholders will not be required to pay brokerage charges on the disposal of their shares if the Proposed Transaction is approved.

Source: BDOCF analysis

2.3.3 Disadvantages of the Proposed Transaction

Table 2.3 below outlines the potential disadvantages to the Non-Associated Shareholders of approving the Proposed Transaction.

Table 2.3: Potential disadvantages of the Proposed Transaction

Disadvantage	Explanation
No exposure to any future offers	If the Proposed Transaction is approved and implemented, the Non-Associated Shareholders will no longer be able to benefit from any superior offers from Donaco or any other party. Notwithstanding, there is no indication, nor guarantee that a future offer will be forthcoming.
No exposure to any potential future value of Donaco	If the Proposed Transaction is approved and implemented, the Non-Associated Shareholders will receive the A$0.045 cash consideration for each share owned and no longer hold any shares in the Company. Accordingly, Non-Associated Shareholders will have no exposure to any potential upside in the value of the Company going forward.
No partial investment	The Proposed Transaction relates to 100% of each Non-Associated Shareholder's shares in Donaco. If the Proposed Transaction is approved, ONR will acquire 100% of Donaco shares and no partial investment will be possible.

Source: BDOCF analysis

2.3.4 Other considerations

Tax considerations

If the Proposed Transaction is approved and implemented, the Non-Associated Shareholders will be treated as having disposed of their shares for tax purposes. A gain or loss on disposal may arise depending on the cost base of each individual Non-Associated Shareholder's shares, the length of time held, whether the shares are held on capital or revenue account, and whether or not the Non-Associated Shareholder is an Australian resident for tax purposes.

Details of the taxation consequences are set out in Section 8 of the Scheme Booklet. As we have not considered the specific taxation implications that may be relevant for individual Non-Associated Shareholders in connection with the Proposed Transaction, Non-Associated Shareholders should consult their own adviser in relation to the taxation consequences of the Proposed Transaction.

Concentration of support from major shareholders

A significant proportion of Donaco's share register is already held or influenced by parties supporting the Proposed Transaction. As announced on the ASX on 17 March 2025, Donaco's largest shareholders Mr Lee Bug Huy (also Donaco's Chief Executive Officer and an Executive Director) and Mr Lee Bug Tong, who collectively hold an interest in 42.08% of Donaco's issued share capital, have confirmed that they intend to vote in favour of the Proposed Transaction in the absence of a superior proposal and subject to the Independent Expert's Report (i.e. this Report).

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In the same announcement it was also stated that the Donaco Board unanimously recommends that the Non-Associated Shareholders vote in favour of the Proposed Transaction in the absence of a superior proposal and subject to the Independent Expert's Report.

As at 4 June 2025, Mr Lee Bug Huy (approximately 21.08%), Mr Paul Porntat Amatavivadhana (approximately 0.27%) and Mr Roderick John Sutton (approximately 0.13%) (each of whom is a Non-Associated Director of Donaco) collectively hold, directly or indirectly, approximately 21.48% of the total issued share capital in Donaco.

2.3.5 Position of the Shareholders if the Proposed Transaction is not approved

Table 2.4 below outlines the potential position of individual Non-Associated Shareholders if the Proposed Transaction is not approved.

Table 2.4: Position of Non-Associated Shareholders if the Proposed Transaction is not approved

Position of Shareholders	Explanation
Continued shareholding in Donaco	If the Proposed Transaction is not implemented, the Non-Associated Shareholders will continue to hold shares in Donaco and continue to be exposed to the risks and opportunities associated with the ownership of Donaco shares. For completeness, we note that following discussions with the management of Donaco ('Management'), we understand that there are several external factors which may significantly impact the Company's operations and the value shareholders can ultimately realise. Key challenges include: ► Increased capital requirements for Star Vegas: On 26 August 2021, the Royal Government of Cambodia issued Sub-Decree No. 166, mandating that all casinos, including Donaco's Star Vegas, maintain minimum capital of KHR400 billion (approx. US$100.0 million / A$160.8 million) by 30 June 2036. This will be phased in over five stages. Refer Section 5.2.2 for more information. ► New tax obligations in Cambodia: From 1 January 2025, Star Vegas is subject to additional tax requirements under Prakas No. 1080, issued by the Ministry of Economy and Finance of Cambodia. These are outlined further in Section 5.2.2. ► Ongoing tax dispute in Vietnam: Donaco is currently in dispute with the Vietnamese government over Decision No. 15/QD-TCT, relating to tax liabilities and penalties primarily concerning floating chips. The total claim as at 31 December 2024 is approximately VND139.3 billion (approx. US$5.5 million / A$8.9 million[1]). The matter is ongoing, and its outcome remains uncertain. Refer Section 5.2.1 for more information. ► Regulatory threat in Thailand: Proposed legislation to legalise gambling in Thailand poses a direct threat to the Star Vegas, which relies heavily on Thai nationals crossing the border to Poipet. If gambling becomes legal in Thailand, cross-border visitation and revenue for Star Vegas could decrease and the decrease could be material. Refer Section 5.2.2 for more information. ► Operational disruptions due to electricity cuts: In response to illegal online gambling and scams, Thai authorities have begun cutting electricity and internet supply along the Thai-Cambodian border, including Poipet. These actions have already disrupted operations at Star Vegas and may persist or escalate, further affecting business continuity. Refer Section 6.3.6 for more information. Given these risks, Donaco's future earnings and capacity to distribute dividends may be constrained, limiting the value available to Non-Associated Shareholders. Notwithstanding a cash balance of approximately A$39.0 million as at 31 December 2024, the Directors of Donaco have instructed us they do not intend to declare a dividend in the short to medium term due to potential earnings volatility from the above risks, the need for the Company to keep a portion of cash in reserves to adhere to increasing capital requirements in Cambodia (for Star Vegas) and to meet the Company's short-term financial obligations (the combination of which significantly reduces the balance of cash and cash equivalents available for distribution). Although external factors may impact Donaco, Management has still considered growth strategies should the Proposed Transaction not proceed. The options considered include potentially acquiring a hotel or casino in a new location. However, Management has also indicated that raising the necessary capital through debt would be difficult. In the event that Donaco pursue this expansion and are not able to fund it with debt, the Company may be required to conduct an equity raise to source the additional capital. However, we note that there is no guarantee that the Company will be able to successfully complete a capital raise as Donaco has faced challenges raising capital in the past (e.g. in Donaco's most recent capital raise, only 27.61% of shares were taken up by existing shareholders, with the underwriters subscribing to the remainder, refer Section 5.3 for more information). As a result, even if Donaco were able to raise equity in the future, any such issuance may be dilutive to existing shareholders and could be priced below both the current market price and the implied value of the Cash Consideration.

[1] Exchange rates as at 31 December 2024 have been adopted, being the date of the Company's half-year financial statements in which the total potential tax payables, penalties and interest arising from the tax matter were disclosed. The rates applied are USD 0.00003924 per VND and AUD 0.00006385 per VND.

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Position of Shareholders	Explanation
Share trading price may be materially different to recent share trading prices and the shares in Donaco may trade at prices that are lower than the Cash Consideration	If the Proposed Transaction does not proceed, the price of Donaco shares may decrease relative to recent trading prices (i.e. from 17 March 2025 to 28 May 2025, Donaco shares have traded in the range of A$0.039 to A$0.044) and the decrease may be material. As outlined in Section 5.4, prior to the Undisturbed Date, Donaco shares traded on the ASX with a 12-month VWAP of A$0.0319 and a 1-week VWAP of A$0.0310, with a low and high daily VWAP of $0.026 and $0.039 respectively. It is important to note that shares in Donaco have been valued in this Report on a controlling interest basis to assess the Proposed Transaction. If the Proposed Transaction is not implemented, the price of shares in Donaco is likely to change to represent the value of Donaco on a minority interest basis. If the Proposed Transaction is not approved and implemented, it is possible that shares in Donaco will trade at a price that is materially lower than the Cash Consideration of A$0.045 per share. For completeness, we note that it is the Non-Associated Directors' view that Donaco shares are likely to trade at a lower price if the Proposed Transaction is not approved and no superior proposal emerges, in the absence of favourable market conditions (although this is difficult to predict with any degree of certainty).
Non-recoverable costs	Donaco will incur costs in relation to the Proposed Transaction irrespective of whether or not the Proposed Transaction is implemented. Donaco will not be able to recover the costs that it has incurred in relation to the Proposed Transaction in the event that the Proposed Transaction is not approved and/or implemented.
Prospects of a superior proposal or alternative transaction	It is possible that if the Proposed Transaction is not implemented that Donaco may receive an offer superior to the Proposed Transaction. However, as at the date of this Report, the Non-Associated Directors have not received a proposal superior to the Proposed Transaction.
Realisability of the Knight Frank estimated property values may vary	The Knight Frank Reports estimate value ranges as follows: ▸ Aristo: On a going concern basis ('GCB') US$24.23 million to US$25.56 million and a vacant possession basis ('VPB') US$23.35 million to US$25.59 million; ▸ Star Vegas: On a GCB of US$32.235 million to US$33.525 million and a VPB of US$16.31 million to US$17.55 million. These valuations are based on assumptions and parameters applied in Knight Frank's discounted cash flow (DCF) models under the GCB and VPB scenarios. We note: ▸ Under the GCB, Knight Frank has assumed that the casino and hotel licences are and will remain valid, and that Donaco will continue operating the assets on an "as is, where is" basis. However, there are a several material risks that may directly affect Donaco's ability to continue operating the assets in their current form and profitability. These risks include: • Increased capital requirements for Star Vegas; • Additional tax obligations under Prakas No. 1080 from 1 January 2025; • An unresolved A$8.9 million tax dispute in Vietnam relating to floating chips; • Proposed legalisation of gambling in Thailand, which may reduce cross-border visitation to Star Vegas; and • Ongoing electricity and internet disruptions along the Thai-Cambodian border impacting Star Vegas' operations. ▸ The assumptions underpinning the cash flow assumptions for the GCB valuation do not reflect the full extent of this operational uncertainty. Rather, Knight Frank's terminal capitalisation and discount rate assumptions under the GCB are intended to reflect these risks and expected returns associated with continued operation of the assets. The adopted rates are primarily informed by Knight Frank's understanding of prevailing market conditions, inhouse research, and professional judgement. Knight Frank has noted that, due to the confidential nature of buyer and seller expectations in actual transactions, direct benchmarking of internal rates of return is not always possible. Accordingly, the adopted rates represent an informed and widely accepted market approach. Nevertheless, a degree of professional judgement is inherently involved, and the assumptions may not fully capture future outcomes should economic conditions or the operational outlook materially change. ▸ Under the VPB, Knight Frank has assumed that all casino operations and associated management would cease and that areas currently used for casino floors would be repurposed as leasable commercial or retail space. The VPB also assumes that these spaces can be leased out to third-party tenants or used to generate alternative income. ▸ Notably, some of Star Vegas' retail space is currently vacant, raising uncertainty around future demand. Furthermore, the VPB assumes that hotel operations will continue independently of the casino and that occupancy and average daily room rates will stabilise and exceed current levels observed under casino-linked operations, following a five-year transition period. These assumptions carry risks and may not materialise, particularly in the absence of the casino as a core driver of visitation and revenue. ▸ Knight Frank's terminal capitalisation and discount rate assumptions under the VPB are based on market benchmarks for standalone hotel and retail assets, which may differ from the rates applied under the GCB due to differing risk and return profiles. For Donaco to realise the values estimated by Knight Frank, these assumptions (among other uncontrollable economic variables assumed in the Knight Frank Reports) must hold true. Non-Associated Shareholders should be aware that the values estimated by Knight Frank may differ materially under changing economic conditions. There is also no guarantee that these values could be realised in the event that Donaco ran a sales process for each of the assets.

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Position of Shareholders	Explanation
Reliance on existing shareholders for funding	Donaco's ability to fund growth or reposition its operations is likely to remain constrained. The Company's continued operation as a going concern is currently underpinned by the financial support of its major shareholder and Chief Executive Officer, Mr Lee Bug Huy (who is currently in favour of the Proposed Transaction). However, if this support were to be withdrawn (particularly in the event of further disruption), Donaco may face financial distress. As at 31 December 2024, Donaco had net current assets of approximately $0.8 million. Given the limited financial buffer and the risks outlined under the first row titled "Continued shareholding in Donaco", any further adverse developments may necessitate additional funding. Should Mr Lee Bug Huy choose not to provide further support, Donaco would need to seek alternative sources of funding (either from other shareholders or external providers), which are not guaranteed.

Source: BDOCF analysis

2.3.6 Assessment of the reasonableness of the Proposed Transaction

In our opinion, after considering all of the issues set out in this Report, it is our view that, in the absence of any other information or a superior proposal, the Proposed Transaction is Reasonable to the Non-Associated Shareholders as at the date of this Report.

2.4 Opinion

After considering the above assessments, it is our view that, in the absence of any other information or a superior proposal, the Proposed Transaction is Fair and Reasonable to the Non-Associated Shareholders as at the date of this Report. On this basis, it is our view that in the absence of any other information or a superior proposal, the Proposed Transaction is in the Best Interests of the Shareholders as at the date of this Report.

Before forming a view on whether to vote in favour of or against the Proposed Transaction, Shareholders must:

- Read the Scheme Booklet in its entirety, including this Report (including the Important Information set out in Section 3), before deciding whether to vote in favour of or against the Proposed Transaction;
- Consult their own professional advisers; and
- Consider their specific circumstances.

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3.0 Important information

3.1 Read this Report, and other documentation, in full

This Report, including Part I, Part II and the appendices, should be read in full to obtain a comprehensive understanding of the purpose, scope, basis of evaluation, limitations, information relied upon, analysis, and assumptions underpinning our work and our findings.

Other information provided to the Non-Associated Shareholders in conjunction with this Report should also be read in full, including the Scheme Implementation Deed dated 16 March 2025 ('the SID') and the Scheme Booklet.

3.2 Shareholders' individual circumstances

Our analysis has been completed and our conclusions expressed at an aggregate level having regard to the Non-Associated Shareholders as a whole. BDOCF has not considered the impact of the Proposed Transaction on the particular circumstances of individual Non-Associated Shareholders. Individual Non-Associated Shareholders may place a different emphasis on certain elements of the Proposed Transaction relative to the emphasis placed in this Report. Accordingly, individual Non-Associated Shareholders may reach different conclusions as to whether or not the Proposed Transaction is fair and reasonable, and in the best interests, in their individual circumstances.

The decision of an individual Non-Associated Shareholder to vote in favour of or against the Proposed Transaction is likely to be influenced by their particular circumstances and accordingly, the Non-Associated Shareholders are advised to consider their own circumstances and seek their own independent advice.

Voting in favour of or against the Proposed Transaction is a matter for individual Non-Associated Shareholders based on their expectations as to the expected value, future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Non-Associated Shareholders should carefully consider the SID and the Scheme Booklet. Non-Associated Shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their professional adviser.

With respect to the taxation implications of the Proposed Transaction, it is strongly recommended that the Non-Associated Shareholders obtain their own taxation advice, tailored to their own particular circumstances.

3.3 Scope

In this Report we provide our opinion on whether the Proposed Transaction is fair and reasonable to, and in the best interest of, the Non-Associated Shareholders.

This Report has been prepared at the request of the non-associated directors of Donaco ('Non-Associated Directors') for the sole benefit of the Non-Associated Shareholders entitled to vote, to assist them in their decision to vote in favour of or against the Proposed Transaction. This Report is to accompany the Scheme Booklet to be sent to the Non-Associated Shareholders to consider the Proposed Transaction and was not prepared for any other purpose. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Non-Associated Directors and the Non-Associated Shareholders without our written consent. We accept no responsibility to any person other than the Non-Associated Directors and the Non-Associated Shareholders in relation to this Report.

This Report should not be used for any other purpose, and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of this Report with the Scheme Booklet. Apart from this Report, we are not responsible for the contents of the Scheme Booklet, or any other document associated with the Proposed Transaction. We acknowledge that this Report may be lodged with regulatory authorities to obtain the relevant approvals prior to it being made available to the Non-Associated Shareholders.

The scope of procedures we have undertaken has been limited to those procedures required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards. In preparing this Report we considered a range of matters, including the necessary legal requirements and guidance of the Corporations Act 2001 (Cth) ('the Corporations Act'), the Corporation Regulations 2001 ('the Regulations'), the regulatory guides ('RGs') published by ASIC, the listing requirements of the relevant exchanges (where relevant) and commercial practice.

In forming our opinion, we have made certain assumptions and outline these in this Report including:

- We have performed our analysis on the basis that the conditions precedent to the Proposed Transaction are satisfied;
- That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- All information which is material to the Non-Associated Shareholders' decision on the Proposed Transaction has been provided and is complete, accurate and fairly presented in all material respects;
- ASX announcements and other publicly available information relied on by us is accurate, complete and not misleading;

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- If the Proposed Transaction is approved, that it will be implemented in accordance with the stated terms;
- The legal mechanism to implement the Proposed Transaction is correct and effective;
- There are no undue changes to the terms and conditions of the Proposed Transaction or complex issues unknown to us; and
- A range of other assumptions as outlined in this Report have also been adopted in forming our opinion.

In this Report we have not provided any taxation, legal or other advice of a similar nature in relation to the Proposed Transaction. Donaco has engaged other advisors in relation to those matters.

Donaco has acknowledged that the Company's engagement of BDOCF is as an independent contractor and not in any other capacity, including a fiduciary capacity.

The statements and opinions contained in this Report are given in good faith and are based upon our consideration and assessment of the information provided by the Donaco board of directors ('the Board'), executives and management of all the entities.

3.4 Purpose of this Report

An independent expert, in certain circumstances, must be appointed to meet the requirements set out in the Corporations Act, the Regulations, RGs and in some cases the listing requirements of relevant exchanges. These requirements have been set out in Sections 3.4.1 and 3.4.2 below.

3.4.1 Requirements of the Corporations Act

The Proposed Transaction will be implemented by scheme of arrangement. Section 411 of the Corporations Act relates to schemes of arrangement. Under section 411 of the Corporations Act, in order for a scheme of arrangement to be approved, certain steps, including the following, must occur:

- Unless the court orders otherwise, there must be a majority in number (i.e. more than 50%) of the shareholders present and voting (either in person or by proxy); and
- No less than 75% of the votes cast on the resolution must vote in favour of the scheme.

Part 3 of Schedule 8 of the Regulations details the prescribed information relating to schemes of arrangement. Specifically, Clause 8303 of Schedule 8 states that an independent expert's report prepared to determine whether, in the opinion of the expert, the proposed scheme is in the best interests of the company's shareholders must accompany a scheme document if:

- A party to the proposed scheme has a prescribed shareholding in the company subject to the scheme; or
- The directors of the company are also directors of the company subject to the scheme.

As at 4 June 2025, ONR currently holds 12.84% of the issued share capital in Donaco. Under Part 3 of Schedule 8 of the Regulations, a prescribed shareholding refers to a shareholding of 30% or more in the company that is the subject of the scheme.

Furthermore, the SID and Scheme Booklet do not indicate any shared directorship between ONR and Donaco.

We have been requested to prepare this independent expert's report to provide additional information to the Non-Associated Shareholders to assist them to form a view on whether to vote in favour of or against the Proposed Transaction.

3.4.2 Listing requirements

We have been instructed that Donaco will not be using this Report or our assessment of the Proposed Transaction for the purpose of complying with the listing requirements of the ASX or any other stock exchange.

3.5 Current market conditions

Our opinion and the analysis set out in this Report is based on economic, commodity, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time and may have a material impact on the results presented in this Report and result in any valuation or other opinion becoming quickly outdated and in need of revision.

In circumstances where we become aware of and believe that a change in these conditions, prior to the scheme meeting to be held on or about 4 August 2025 at 10 am Australian Eastern Standard Time ('AEST') ('the Scheme Meeting'), results in a material statement in this Report becoming misleading, deceptive or resulting in a material change in valuation, we will provide supplementary disclosure to Donaco. BDOCF is not responsible for updating this Report following the Scheme Meeting or in the event that a change in prevailing circumstance does not meet the above conditions.

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3.6 Reliance on information

Donaco recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDOCF, BDO Services Pty Ltd or any of the partners, directors, agents or associates (together 'BDO Persons'), will be using and relying on publicly available information and on data, material and other information furnished to BDO Persons by Donaco, its management, and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Unless the information we are provided suggests the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis and inquiry for the purpose of forming an opinion as to whether or not the Proposed Transaction is fair and reasonable to, and in the best interests of, the Non-Associated Shareholders.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management, the information was evaluated through analysis and inquiry to the extent practical. Where we have relied on publicly available information, we have considered the source of the information and completed our own analysis to assist us to determine the accuracy of the information we have relied on. However, in many cases the information we have relied on is often not capable of external verification or validation and on that basis, we provide no opinion or assurance on the information.

The Non-Associated Directors represent and warrant to us for the purpose of this Report, that all information and documents furnished by Donaco (either by management directly or through its advisors) in connection or for use in the preparation of this Report do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein. We have received representations from the Non-Associated Directors in relation to the completeness and accuracy of the information provided to us for the purpose of this Report.

Under the terms of our engagement, Donaco has agreed to indemnify BDO Persons against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

3.7 Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this Report is set out in Appendix A.

All dollar ('$') references in this Report are in Australian dollars unless otherwise stated.

3.8 Sources of information

This Report has been prepared using information obtained from sources including the following:

- Donaco annual report for the years ended 30 June 2024, 30 June 2023 and 30 June 2022;
- Donaco half year report for the 6 months ended 31 December 2024;
- Donaco management accounts as at 31 March 2025;
- Donaco ASX announcements;
- The Financial Model provided by Donaco and dated 25 March 2025 ('the Model');
- The Scheme Booklet;
- The SID;
- Capital IQ;
- IBISWorld;
- MergerMarket;
- Other research publications and publicly available data as sourced throughout this Report;
- Various transaction documents provided by the Management of Donaco and their advisors; and
- Discussions and other correspondence with Donaco, management and their advisers.

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3.9 APES 225 Valuation Services

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 *Valuation Services* ('APES 225'). A Valuation Engagement is defined by APES 225 as 'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

3.10 Forecast information

Any forecast financial information referred to in this Report has originated from the Company's management and is adopted by the Non-Associated Directors in order to provide us with a guide to the potential financial performance of Donaco. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the forecast financial information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation between actual results and those forecasts may be material.

The Non-Associated Directors' best-estimate assumptions on which the forecast is based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Donaco. Evidence may be available to support the Non-Associated Directors' best-estimate assumptions on which the forecast is based however, such evidence is generally future-oriented and therefore speculative in nature. In certain circumstances, we may adjust the forecast assumptions provided by management to complete our valuation work. In this instance, the forecasts we have adopted for our valuation work will not be the same as the forecasts provided by management.

BDOCF cannot and does not provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. While we have considered the forecast information to the extent which we considered necessary to complete the analysis set out in this Report, we have not been engaged to provide any form of assurance conclusion on any forecast information set out in this Report. We disclaim any assumption of responsibility for any reliance on this Report, or on any forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management, that all material information concerning the prospects and proposed operations of Donaco has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

3.11 Qualifications

BDOCF has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDOCF holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

BDOCF and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Mark Whittaker and Scott Birkett have prepared this Report with the assistance of staff members. Mr Whittaker, BCom (Hons), FCA, CFA, and Mr Birkett, BBusMan/BCom, CFA, are directors of BDOCF. Both Mr Whittaker and Mr Birkett have extensive experience in corporate advice and the provision of valuation and professional services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations. Mr Whittaker and Mr Birkett are considered to have the appropriate experience and professional qualifications to provide the advice offered within this Report.

BDO Corporate Finance Ltd





Mark Whittaker

Director

Scott Birkett

Director

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PART II: INFORMATION SUPPORTING OUR OPINION ON THE PROPOSED TRANSACTION

4.0 Overview of the Proposed Transaction

This section sets out an overview of the Proposed Transaction and is structured as follows:

- Section 4.1 provides a brief description of the Proposed Transaction;
- Section 4.2 describes the key parties involved in the Proposed Transaction;
- Section 4.3 summarises the conditions precedent to the Proposed Transaction; and
- Section 4.4 details the rationale for the Proposed Transaction.

This section is a summary only and should not be treated as a complete description of the Proposed Transaction. The Non-Associated Shareholders should refer to the SID, the Scheme Booklet and any subsequent disclosures for additional information relating to the Proposed Transaction and the key parties involved.

4.1 Summary of the Proposed Transaction

On 17 March 2025, Donaco announced that the Company entered into the binding SID with ONR, in which ONR will acquire 100% of the issued share capital in Donaco that it does not already own by way of a scheme of arrangement ('the Scheme').

If the Proposed Transaction is accepted, the Non-Associated Shareholders will receive A$0.045 per Donaco share held on the date which is two days before the Scheme is effective. Having regard to the previous trading day prior to the announcement of the SID (i.e. the Undisturbed Date), the Cash Consideration represents:

- A 50.0% premium to the Donaco closing share price as at 14 March 2025 (A$0.0300);
- A 54.1% premium to the 90 day volume weighted average price ('VWAP') of Donaco shares as at 14 March 2025 (A$0.0292); and
- A 50.0% premium to the Donaco closing share price as at 16 March 2025 (A$0.0300).

4.2 Description of the key parties involved in the Proposed Transaction

4.2.1 On Nut Road Limited

ONR is making the offer in the Scheme. ONR is a special purpose vehicle established for the purpose of acquiring all shares in Donaco that it does not already own. ONR is managed by Argyle Street Management Limited ('ASM'). ONR has been a shareholder of Donaco since 2019 and, as at 17 March 2025, held approximately 12.8% of the issued share capital in Donaco.

ASM is a privately owned, independent asset management firm headquartered in Hong Kong. Established in 2002, ASM operates as a hedge fund sponsor and is licensed by the Securities and Futures Commission of Hong Kong. ASM is also registered as an investment adviser with the United States Securities and Exchange Commission, reflecting a multi-jurisdictional regulatory footprint. ASM provides discretionary portfolio management services primarily to pooled investment vehicles, corporate clients, and institutional investors and is also active in alternative investment activities, including as a commodity pool operator and commodity trading adviser.

As of 2024, ASM has approximately US$2.0 billion in assets under management. ASM is sector-agnostic in its investment approach, with a focus on special situations, including distressed assets, underperforming public companies, restructuring plays, and complex cross-border opportunities. ASM typically invests across public equity, fixed income, and alternative investment markets, and maintains a pan-Asian focus, with a historical track record in Southeast Asia, Japan, China, and Korea.

ASM employs approximately 50 employees across its global operations, and has strategic partnerships and investment relationships across Thailand, Indonesia, the Philippines, Malaysia, Singapore, Australia, the United States, and the United Kingdom. In addition to creating and managing hedge funds, ASM often conducts investments through dedicated special purpose vehicles such as ONR.

4.2.2 Major Shareholders

Donaco's ASX announcement on 17 March 2025, titled '*DNA enters Scheme Implementation Deed*', details that the Company's largest shareholders Mr Lee Bug Huy and Mr Lee Bug Tong have indicated that they intend to vote in favour of the Proposed Transaction, in the absence of a superior proposal and subject to the independent expert concluding that the Proposed Transaction is in the best interests of the Non-Associated Shareholders.

Mr Lee Bug Huy (also referred to as Techatut Sukcharoenkraisri) and Mr Lee Bug Tong (also referred to as Bhuvasith Chairarunrojh) collectively, both directly and indirectly, hold approximately 42.08% of the issued shares in Donaco, as at 31 March 2025.

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For completeness, we note that Mr Lee Bug Huy is an Executive Director and Chief Executive Officer ('CEO') of Donaco. Where the Non-Associated Directors holdings in Donaco are referenced, this is inclusive of Mr Lee Bug Huy's holdings, amounting to 21.48% of the shares in Donaco.

4.3 Key conditions of the Proposed Transaction

The Scheme is subject to certain conditions that are set out in full in the SID. In summary, these are divided in three categories, as detailed below.

4.3.1 Conditions for the benefit of Donaco and ONR

The conditions detailed below are defined in the SID to be for the benefit of both Donaco and ONR:

- Shareholder approval: The Scheme must be approved at the scheme meeting by at least 75% of all shareholders and a majority by number of all shareholders present and voting (in person or by proxy) at the Scheme Meeting;
- Court approval of the Scheme: The Supreme Court of New South Wales or Federal Court of Australia (or another relevant court) must approve the Scheme in accordance with section 411(4)(b) of the Corporations Act following the shareholder vote. If the court's approval of the Scheme imposes any additional terms or conditions, then such terms must be approved in writing by both Donaco and ONR prior to the court granting final approval;
- No regulatory intervention: As at 8:00 am on the first date in which the court hears the application to approve the Scheme ('the Court Date'), there must be no order, decision or injunction from any government agency, or investigation or action commenced, that restrains, prohibits, or materially impedes implementation of the Proposed Transaction; and
- Change of control consents: Donaco must obtain all required consents or waivers from relevant counterparties or regulators in respect of any material contracts and any key authorisation or licences (i.e. gaming licences), that would be triggered or adversely affected by a change of control upon implementation of the Scheme.

4.3.2 Conditions for the benefit of the ONR

The conditions detailed below are defined in the SID to be for the benefit of ONR:

- No material adverse effect: There must be no material adverse effect in Donaco from the date of the SID (i.e. 16 March 2025) to the Court Date. The SID defines a material adverse effect to include a reduction of:
  - At least A$6.0 million in net asset value;
  - At least A$2.0 million in revenue in any financial year; or
  - Any material loss of key authorisations that prevent Donaco from operating its business.
- No prescribed events: Between the date of the SID to the Court Date, Donaco is not permitted to:
  - Undertake share splits, consolidations, buy-backs, or capital reductions;
  - Issue securities, grant options or rights, or amend the company constitution;
  - Declare dividends or returns of capital; or
  - Enter into significant transactions, insolvency proceedings, or deregister subsidiaries.
- No regulated events: Donaco must not:
  - Enter new businesses or markets;
  - Acquire or dispose of major assets over A$300,000, including any material business, entity, or asset transaction outside the ordinary course of operations;
  - Make material changes to employee or executive arrangements, including new hires over A$300,000, changes to remuneration or incentives, and equity scheme amendments;
  - Incur significant financial commitments over A$300,000 including capital expenditure, debt, legal settlements, or waivers of material claims;
  - Enter related party transactions or grant security interests; or
  - Vary adviser agreements or accounting policies.
- Representations and warranties: Each Donaco representation and warranty is true and correct in all material respects as at the time it is given or made.

4.3.3 Conditions for the benefit of Donaco

The conditions detailed below are defined in the SID to be for the benefit of Donaco:

- Independent expert report: The independent expert issues an independent expert report which concludes that the Proposed Transaction is in the best interests of the Non-Associated Shareholders and the independent expert does not withdraw or qualify its conclusions in any written update to the independent expert report or withdraw its independent expert report prior to the Court Date; and

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- Representations and warranties: Each ONR representation and warranty is true and correct in all material respects as at the time it is given or made.

4.3.4 Waiver of conditions

The 'shareholder approval' condition and 'court approval of the Scheme' condition cannot be waived.

Where a condition is for the benefit of one party (i.e. Donaco or ONR), only that party may waive any breach or non-fulfilment of the condition. Where a condition is for the benefit of both parties (i.e. Donaco and ONR), any breach or non-fulfilment of the condition may be waived only by written consent from both parties.

We recommend that the Non-Associated Shareholders consider all conditions of the Proposed Transaction set out in the SID.

We note that, as at the date of this Report, Donaco and ONR have agreed that only the change of control condition precedent has been satisfied.

4.3.5 The break fee and reverse break fee

Under Clause 11 of the SID, Donaco agrees to pay a break fee of A$500,000 (exclusive of GST) to ONR if defined events occur that prevent the Scheme from proceeding. The break fee is triggered if any one of the following events occur:

- Successful competing proposal: A third party (or its associates) publicly announces a competing proposal during the period between the date of the SID (i.e. 16 March 2025) and the earlier of the implementation of the Scheme, termination of the SID, or the date six months after the date of the SID (i.e. 16 September 2025), and within 9 months of that announcement:
  - The third party acquires control of Donaco (i.e. more than 50% of Donaco shares); or
  - The third party completes the competing proposal (i.e. via takeover bid, scheme of arrangement, asset purchase, etc.).
- Change of the Board recommendation: Any member of the Board publicly withdraws, changes, or adversely modifies their recommendation in favour of the Scheme or recommends a competing proposal, unless:
  - The change of recommendation is permitted under the fiduciary exceptions (i.e. in response to a superior proposal);
  - ONR has been given the opportunity to match the superior proposal during the five business days after ONR receives a matching rights notice from Donaco; and
  - The Board has properly complied with Clauses 9 and 10 of the SID, relating to exclusivity and the matching rights of ONR in the event of a superior proposal.
- Material breach of the SID: Donaco materially breaches the SID and the breach results in the Scheme not proceeding.

Additionally, the SID includes a reverse break fee of A$500,000 (exclusive of GST), payable by ONR to Donaco if either of the following occurs:

- Material Breach of the SID: ONR materially breaches the SID and the breach results in the Scheme not proceeding; or
- Insolvency event: an insolvency event occurs in relation to ONR.

4.4 Strategic rationale for the Proposed Transaction

The Board unanimously recommend that the Non-Associated Shareholders vote in favour of the Proposed Transaction at the Scheme Meeting, in the absence of a superior proposal and subject to an independent expert concluding and continuing to conclude that the Proposed Transaction is in the best interests of the Non-Associated Shareholders. The reasons for the Board's recommendation includes:

- The Cash Consideration represents a premium to the recent trading price of Donaco shares;
- If the offer is accepted, Non-Associated Shareholders will receive a fixed cash price for their investment in Donaco, while also removing their exposure to the risks associated with operating assets in an industry and in economies subject to increasing regulatory change and uncertainty in relation to gaming legislation, tax obligations, and cross-border operational dependencies;
- The fundraising challenges Donaco currently faces which are impacting the ability to pursue growth opportunities;
- The impact of Thai gaming laws and Thailand-Cambodia border control initiatives on revenue growth; and
- The impact on costs due to actions to cut power along certain border towns between Thailand and Cambodia.

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5.0 Background of Donaco

This section is set out as follows:

- Section 5.1 provides an overview and background information on Donaco;
- Section 5.2 outlines Donaco's key assets and related developments;
- Section 5.3 summarises the impact of the COVID-19 pandemic on Donaco;
- Section 5.4 summarises the corporate structure of Donaco;
- Section 5.5 summarises the equity structure of Donaco;
- Section 5.6 summarises the share market trading in Donaco shares; and
- Section 5.7 summarises the historical financial information of Donaco.

5.1 Overview and background information on Donaco

5.1.1 Overview

Donaco is an ASX-listed company which operates leisure and entertainment businesses across Southeast Asia. Donaco's two key assets are:

- the Star Vegas Resort & Club ('the Star Vegas'), a casino and hotel complex located in Poipet, Cambodia, near the border between Thailand and Cambodia; and
- the Aristo International Hotel ('the Aristo') a hotel and casino resort located in northern Vietnam on the border with China's Yunnan Province.

Table 5.1 below sets out some information pertaining to Aristo and Star Vegas, Donaco's key assets.

Table 5.1: **Information on Donaco's k**ey assets

	Aristo	Star Vegas
Date of acquisition (note 1 & 2)	2014	2015
Average visitors/day (in FY24)	259	918
FY24 revenue (A$ millions)	13.9	25.7
FY24 EBITDA (A$ millions)	8.4	16.7

Source: Donaco's FY24 Investor Presentation and other Donaco historical ASX announcements

1 Construction of the Aristo was completed during 2014 with operations commencing on 18 May 2014 as detailed in Section 5.1.2 below.

2 Donaco acquired 100% of the issued capital in DNA Star Vegas Co. Ltd in 2015 as detailed in Section 5.1.2 below.

This section sets out a brief overview of the Company's corporate history, including key corporate events. Additional information about Donaco's key assets and developments related specifically to those assets is presented in Section 5.2 below.

5.1.2 **Donaco's corporate** history

A high-level overview of Donaco's corporate history from the Company's inception to today is presented in Table 5.2 below.

Table 5.2: Donaco Corporate History Table

Year		Description of event
2002		Donaco was founded in 2002 by Mr Tan Sri Lim Goh Tong, the founder of the Genting Group of companies, a Malaysian-based multinational company. Upon his passing on 23 October 2007, Mr Tan Sri Lim Goh Tong's equity interest passed on to Mr Lim Keong Yew (Mr Joey Lim) and Mr Lim Keong Hoe (Mr Benjamin Lim) who became the majority shareholders of Donaco.
2013	February	Donaco completed a reverse takeover of ASX-listed company Two Way Limited (ASX ticker 'TTV'). The Company subsequently changed its ASX ticker to 'DNA'. At the time, Donaco's sole asset was the Lao Cai International Hotel and Casino operated via a 75:25 joint venture between Donaco and Sapa Petrol Tourism Joint Stock Company, a state-owned company in Vietnam involved in developing Vietnam's Sapa area into a national tourism area.
	April	Donaco acquired iSentric Sdn Bhd ('iSentric'), a mobile services business operating in Southeast Asia. The acquisition was funded by way of shares in Donaco.
	July	Donaco acquired an additional 20% interest in the joint venture with Sapa Petrol Tourism Joint Stock Company. Today, Donaco owns 95% of the joint venture. Further details on the transaction are provided in Section 5.2.1 below.
	December	Donaco successfully completed the construction of the Aristo, to replace the Lao Cai International Hotel. Since the completion of the Aristo, the Lao Cai International Hotel has remained vacant and is still owned by Donaco. Further details on the Lao Cai International Hotel and the Aristo are provided in Section 5.2.1 below.

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Year	Description of event	
2014	Donaco listed iSentric on the ASX in September 2014. Donaco shareholders received an in-specie distribution of shares in iSentric's new corporate vehicle, OMI Holdings Limited.	
2015	Donaco acquired the Star Vegas in 2015, and from 2016 to 2020, the Company was engaged in a legal dispute with the Star Vegas' vendors. Further details on the acquisition and the legal dispute are provided in Section 5.2.2 below.	
2018	Donaco announced that its then Managing Director and CEO, Mr Joey Lim, had requested a leave of absence.	
2019	February	The Board approved a proposed strategic relationship with another listed entity operating in the casino and gaming industry in Asia. The transaction involved a placement of shares at a significant premium to the current market price, together with a management contract to improve the performance of Donaco's assets. Then Chairman Mr Stuart James McGregor and Executive Director, Company Secretary and Legal Counsel Mr Ben Reichel voted in favour of the transaction while Mr Joey Lim and Mr Ben Lim voted against it.
	March	Donaco announced that the employment of Mr Joey Lim as an executive of the Company had been terminated with immediate effect. Mr Joey Lim remained on the Board as a non-executive Director and his brother, Mr Benjamin Lim, took over as interim Managing Director and CEO until a new CEO was appointed in June of 2019.
	April	Mr Gerald Tan and Mr Joey Lim made an application to the Australian Government Takeovers Panel ('the Takeovers Panel') seeking orders to prevent the placement taking place under the proposed strategic relationship. The Takeovers Panel declined to make any such order but, according to then Chairman Mr Stuart James McGregor, the application succeed in delaying and ultimately frustrating the deal.[2] Also in April 2019, the the Takeovers Panel notified the ASX and the markets that it had received an application from certain Donaco shareholders. Refer to additional details in Section 5.1.3 below.
	June	The Board appointed Mr Paul Arbuckle as CEO and terminated the executive roles of Mr Benjamin Lim and Mr Gerald Tan. ONR acquired senior secured bonds from OCP One Pte Ltd, which included enforcement rights over Donaco shares pledged by entities associated with Mr Joey Lim and Mr Benjamin Lim. Following the acquisition, ONR exercised its security interest under the bond arrangements, resulting in the transfer of approximately 19.25% of Donaco's issued capital at the time to ONR. The pledged shares were formally transferred from the Lim-associated entities to ONR, effecting the complete divestment of Mr Joey Lim and Mr Benjamin Lim's equity interest in Donaco. Refer to additional details in Section 5.1.3 below.
	July	Donaco announced the results of an extraordinary general meeting whereby two separate resolutions were passed to remove Mr Joey Lim and Mr Benjamin Lim as Directors of the Company.
	August	Donaco welcomed to the Board Mr Kurkye Wong and Mr Leo Chan as Directors, representing Argyle Street Management, an associated entity of ONR. The Company had previously welcomed two new independent non-executive Directors Mr David Green and Mr Yugo Kinoshita.

[2] Mr Tan was appointed to the role of Interim General Manager at DNA Star Vegas in August 2017 and the role of Chief Operating Officer in February 2018.

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Year	Description of event	
	November	On 29 November 2019, at Donaco's annual general meeting ('AGM'), then Chairman, Mr Stuart James McGregor noted in in his address that "The financial performance of the company during the past two financial years [had] been unacceptable. Although the Company has always operated profitably and been cash flow positive during this period, revenues and earnings have declined, and significant statutory losses have been recorded […]". Mr McGregor, in the same address to shareholders, attributed the decline in financial performance of the Company to the alleged breaches of the non-compete agreement by the vendors of the Star Vegas with whom the Company was involved in a legal dispute. Mr McGregor, the Directors and the management team of Donaco proposed several resolutions aimed at addressing the decline in performance and also recommended that shareholders vote against several resolutions put forward by a requisitioning shareholder. These are summarised below: ▸ That shareholders vote in favour of the appointments of the two independent non-executive Directors (Mr David Green and Mr Yugo Kinoshita); ▸ That shareholders vote in favour of the election of Mr Kurkye Wong and Mr Leo Chan; ▸ That shareholders vote in favour of a proposal to change the name of Donaco to Pan Asian Leisure Limited as a public statement that the Company was leaving the past behind; ▸ That shareholders vote against the removal of Mr Stuart James McGregor as a director of the Company along with another then Director of the Company; and ▸ That shareholders voted against the appointments of Mr Neil John Sheather, Mr Dale Klynhout, Mr Lim Tow Chong, Mr Gerald Nicholas Tan Eng Hoe and Mr Tan Teck Lee Patrick as directors of the Company.
	December	On 2 December 2019, Donaco announced the results of the AGM held on 29 November 2019 which included a complete Board re-structure, including the removal of Mr Stuart James McGregor, Donaco's Chairman since the Company's listing on the ASX and a majority vote to not go forward with management's proposal to change the name of the Company. It was announced that the Company's Secretary, Executive Director and General Counsel, Mr Ben Reichel, resigned. In his capacity as responsible for communicating with the ASX and keeping shareholders informed of al material developments in the Company, Mr Reichel was being sued by the Star Vegas's vendors for criminal defamation. The results of the AGM held on 29 November 2019 including the following: ▸ The motions put forth to appoint Mr David Green and Mr Yugo Kinoshita were lost as ordinary resolutions on a poll; ▸ The motion put forth to change the Company's name was lost as a special resolution on a poll; ▸ The motions put forth to appoint Mr Kurkye Wong and Mr Leo Chan was carried as ordinary resolutions on a poll; and ▸ The motion to remove Mr Stuart James McGregor as a director of the Company was carried as an ordinary resolution on a poll. In effect, following the above, Donaco's Board was re-structured and Donaco's Chairman since the Company's listing on the ASX was removed.
2020	Donaco announced the appointment of Mr Lee Bug Huy as CEO, effective 3 September 2020. Mr Lee Bug Huy also remained on the Board as an Executive Director of the Company. The announcement stated that Mr Lee Bug Huy has extensive experience in gaming and casino management having been Vice President at the Casino at Star Vegas Casino & Resorts Co (i.e. the business acquired by Donaco in 2015), and responsible for developing the model for the slot machine business.	
2020 - 2022	From late 2019 until 2022, Donaco's operations were significantly disrupted by the effects of the COVID-19 pandemic as detailed in Section 5.3 below.	
2023 to today	Donaco's operations have resumed post COVID-19.	

Source: Donaco ASX announcements

5.1.3 Australian Government Takeovers Panel transaction review and impact on Donaco

On 8 April 2019, the Takeovers Panel notified the ASX and the markets that it had received an application from certain Donaco shareholders regarding the acquisition of a 9.35% interest in Donaco by OL Master (Singapore Fund 1) Pte ('OCP 1') and the enforcement by OCP 1 of a security interest over a further 27.25% of Donaco shares.

On 5 May 2017, OCP 1 entered into a bond instrument with a number of parties (including a security trustee), under which Alpha Investments Limited, a company whose principal shareholder and sole director is Mr Joey Lim, issued senior secured bonds with a principal amount, in aggregate, of US$34.3 million to OCP 1. Following a default on an interest payment by Alpha Investments Limited, a receiver was appointed by the security trustee, and the security

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interest was enforced. As a result, OCP 1 obtained a relevant interest in the secured shares, comprising 27.25% of Donaco.

The application submitted that the acquisition by OCP 1 of a relevant interest in Donaco of more than 9.35% combined with the enforcement of the security interest over the 27.25% interest conferred to OCP 1 a combined interest of approximately 37% in Donaco and that through the association of OCP 1 and another party, there was contravention of s606 of the Corporations Act.

The Takeovers Panel application alleged that OCP 1's combined interest in Donaco of approximately 37%, through its direct holdings (9.35%) and enforcement of secured shares (27.25%), was in contravention of s606 of the Corporations Act due to its association with other parties.

On 7 May 2019, the Takeovers Panel released a 'Declaration of Unacceptable Circumstances and Orders', which determined the control of Donaco shares had not occurred in an efficient, competitive and informed market. Following the Takeovers Panel's decision, ASIC appointed Morgan Stanley Wealth Management Australia Pty Ltd to sell 80,000,000 ordinary shares in Donaco, representing 9.71% of the issued capital of Donaco.

On 24 June 2019, it was announced that:

- OCP 1 and ONR had entered into an agreement relating to the US$34.3 million senior secured bonds issued by Alpha Investments Limited;
- OCP 1 agreed to sell, and ONR agreed to acquire, the senior secured bonds for a purchase price of US$26.4 million;
- OCP 1 assigned to ONR all rights, title and interests to a security trust deed signed between OCP 1 and Alpha Investments Limited and ONR agreed to enter into an accession deed whereby ONR agreed to be bound by the original security trust deed between OCP 1 and Alpha Investments Limited; and
- The security related to Donaco shares were pledged by entities controlled (directly and/or indirectly) by Mr Joey Lim and/or Mr Benjamin Lim.

Following this assignment, ONR enforced the security interest under the bond, resulting in:

- ONR and its associates (Argyle Street Management Limited, Argyle Street Management Holdings Limited, Mr Kim Chan and Mr V-Noo Yeh) controlling 158,574,603 shares of Donaco representing, at the time, approximately 19.25% of ordinary shares on issue;
- Mr Joey Lim and Mr Benjamin Lim completely divesting their equity interests in Donaco; and
- Following ONR's exercise of its security rights under the bond in 2019, it holds no present or future security interest over Donaco or its shares arising from the bond. While management is not able to confirm whether the bond itself remains in existence or has been satisfied, they have confirmed that it does not confer any continuing security interest over Donaco.

5.2 Key assets and related developments

This section sets out a summary of Donaco's key assets, the Star Vegas and the Aristo (and previously the Lao Cai International Hotel), as well as key events related to these assets specifically.

5.2.1 Lao Cai International Hotel and The Aristo

Lao Cai International Hotel

At the time of Donaco's reverse takeover of Two Way Limited on the ASX, completed on 1 February 2013, Donaco's sole asset was the Lao Cai International Hotel located in northern Vietnam on the border with China's Yunnan Province. As at this date, Donaco held a 75% interest in the Lao Cai International Hotel through a joint venture with Sapa Petroleum Tourism Joint Stock Company, an entity owned by the Government of Vietnam, who held the remaining 25% interest ('the Lao Cai International Hotel Joint Venture').

Figure 5.1 below maps the location of the Lao Cai province in northern Vietnam on the border with China.

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Figure 5.1: Lao Cai Province



Source: Bing Maps: https://www.bing.com/maps?cp=26.671717%7E117.329674&lvl=4.9

The Lao Cai International Hotel included 34 rooms and an 8 gaming table establishment with a license to operate up to 150 slot machines and 150 video game machines. Table 5.3 below sets out the operational capacity and average daily visitors of the Lao Cai International Hotel in FY13, the newly constructed Aristo in FY14, and the Aristo in FY24.

Table 5.3: Operational Capacities and Average Daily Visitors of Lao Cai International Hotel and Aristo

	Lao Cai International Hotel in FY13	Aristo in FY14	Aristo in FY24
Gaming tables	8	8	8
Slot machines	57	37	88
Hotel rooms	34	400	393
Average daily visitors	191	194	259

Source: FY13 Donaco Investor Presentation, FY13 Donaco Annual Report, FY14 and FY15 Donaco Investor Presentations, FY14 Donaco Annual Report, FY24 Donaco Investor Presentation and Management

In FY13, all gaming machines at the Lao Cai International Hotel were replaced, with 57 new machines installed and operational until the opening of the Aristo in May 2014.

The Lao Cai International Hotel's original gaming licence ran for 30 years and was set to expire in 2032. Management has confirmed that since the opening of Aristo, the Lao Cai International Hotel has been abandoned and Donaco is seeking a potential buyer. Management has advised that potential buyers have previously contacted the Company to enquire whether the Lao Cai International Hotel was available for sale or rent, and several parties have physically inspected the property. However, the Company has so far been unable to finalise a deal.

As gambling remains illegal for Vietnam citizens, the hotel and casino resort relies on visiting 'high-rollers', Chinese nationals willing to cross the China/Vietnam border, drawing on the Yunnan Province's ~47.2 million population.

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These gambling visitors were primarily sourced under arrangements with junket operators. Under these arrangements, gamblers are booked into a hotel-casino at the junket company's expense in exchange for the junket operator receiving a commission of the gambler's turnover. If the casino extended credit to VIP players sourced from junket operators, the junket operators must place a deposit with the hotel and bear the player's credit risk. This deposit is made at the time the casino extends credit to a player referred by the junket operator. If the referred player fails to repay the credit, the casino may recover any shortfall from the deposit provided. Management has advised that, under the terms of their arrangements with junket operators, they have not extended, and do not extend, any credit to VIP players.

Acquisition of an additional 20% interest in Lao Cai International Hotel Joint Venture

On 24 July 2013, Donaco signed a non-binding agreement to acquire an additional 20% interest in the Lao Cai International Hotel Joint Venture from Sapa Petroleum Tourism Joint Stock Company, a state-owned entity of the Government of Vietnam.

On 30 December 2013, Donaco announced that the Company had entered into a binding agreement for the purchase of the additional 20% interest in the Lao Cai International Hotel Joint Venture for a consideration amount of approximately US$2.4 million. The transaction was completed on 4 February 2014.

Post-transaction, Donaco held a 95% interest in the joint venture, with the remaining 5% continuing to be held by the Government of Vietnam.

For the avoidance of doubt, we understand the current Lao Cai International Hotel Joint Venture agreement, issued in 2017, is between Donaco and Lao Cai Lottery One-Member Company Limited. We understand that Lao Cai Lottery One-Member Company Limited is a state-owned entity and has replaced Sapa Petroleum Tourism Joint Stock Company. The underlying ownership interest in the Lao Cai International Hotel Joint Venture remains 95% held by Donaco and 5% held by the Government of Vietnam (through Lao Cai Lottery One-Member Company Limited). See Section 5.4 for further details on full corporate structure of Donaco.

Construction of the Aristo

In late-2013, Donaco finished the construction of the Aristo, a brand new five-star hotel and casino also located in Lao Cai, Vietnam. The Aristo is owned under the Lao Cai International Hotel Joint Venture and was built to replace the Lao Cai International Hotel. Since the completion of the Aristo, the Lao Cai Internation Hotel has remained vacant.

The Aristo includes a 393-room hotel with two restaurants, a tennis court, a pickleball court and other amenities.

At the time of construction, Donaco was allowed to operate the Aristo under the Company's existing gaming license and did not have to secure a new gaming license from the Vietnamese government.

During construction, Donaco applied for and was granted a licence under similar terms to the previous licence. The key terms under the new licence, which remained the same, included:

- The use of a maximum of 8 gaming tables, 150 slot machines, and 150 video game machines; and
- A licence term of 30 years, with the same expiry date in 2032.

The Aristo opened on 18 May 2014.

Management have detailed that a land lease contract was signed with the Vietnamese government for the land where the Aristo in located, with a land rental exemption until May 2025. In accordance with this exemption, Donaco has not made any land lease payments since the beginning of the land lease. Donaco will begin making payments (annual land rent) starting from June 2025.

As of today, the Aristo continues to operate as a five-star hotel and casino under the Lao Cai International Hotel Joint Venture. The property remains a 393-room hotel with two restaurants and various guest amenities. Under the terms of its existing licence, the Aristo currently offers gambling activities through 88 slot machines and 8 gaming tables.

Taxation dispute with the Vietnamese government

On 30 January 2023, Donaco received Decision No. 15/QD-TCT from the Vietnamese General Department of Taxation ('GDT'), dated 11 January 2023, regarding the requirement to pay tax collections and penalties primarily associated with the determination of tax payable for floating chips[3], with a total amount of approximately VDN 149.3 billion.

The decision was issued after an inspection conducted by the tax authorities for the fiscal years ended 30 June 2019, 2020, and 2021 in which floating chips were determined to be treated as taxable revenue. The tax assessment is comprised of additional value-added tax, special sale tax and associated fines which the Company has recognised as taxation fines and penalties along with additional income tax expense.

Management disagrees with the decision and is pursuing complaint procedures in accordance with the laws and regulations of Vietnam. Management submitted a complaint letter to the Vietnamese GDT on 6 February 2023 and participated in a dialogue session on 31 July 2023.

[3] Floating chips are casino chips that have been issued and are currently in circulation but have not yet been returned or redeemed. These unreturned or unredeemed chips may be redeemed by players on demand. For financial reporting purposes, the number of floating chips is determined as the difference between the number of chips in use and the actual chips physically counted by the casino as at the reporting date.

On 12 September 2023, the Vietnamese GDT issued Decision No. 1357/QD-TCT regarding the settlement of the first legal complaint submitted by Management. In its decision, the Vietnamese GDT:

- Concluded that it disagrees with the content of the first complaint and decided that the fine for the tax administration violations as set out in Decision No. 15/QD-TCT remains unchanged; and
- Should Donaco disagree with this decision, Management has the right to make a legal complaint to the Vietnamese Ministry of Finance or sue the Vietnamese GDT in Court.

In response, Management has submitted a second letter of complaint on 22 September 2023 to provide further explanation for excluding floating chips from taxable revenue, and to request that the Ministry of Finance consider re-adjustment of the taxable revenue for FY19, FY20 and FY21 as well as associated tax shortfall and penalties.

The response from the Ministry of Finance is still pending, and there remains uncertainty regarding the outcome.

In Donaco's FY25 half-year financial report as at 31 December 2024, the Directors acknowledged that the ability for the Company to continue as a going concern is dependent on, amongst other factors, that the continued support of the shareholder Mr Lee Bug Huy on the basis that the existing loans from him will not be recalled and that he will continue to provide financing to meet operational needs, including payment of the Lao Cai tax penalties and interest.

In January 2025, representatives of Aristo attended two meetings with the Vietnamese GDT in court regarding the appeal process. On 28 February 2025, the Lao Cai Provincial People's Court issued a notice confirming acceptance of the legal proceedings. Donaco received a letter from the Lao Cai Provincial People's Court confirming that a public trial for the taxation dispute will take place on 2 June 2025; however, the trial has been postponed and a new date is yet to be confirmed.

Aristo started making instalment payments to reduce the penalty in September 2024, and as of 28 February 2025, approximately A$700,000 had been remitted to the Vietnamese GDT, leaving a balance to be paid of A$8.8 million. Management has confirmed that Aristo will continue to make monthly instalment payments, with the full amount expected to be paid by August 2026.

If Aristo is successful in the legal proceedings, the total penalty amount paid may be refunded or used to offset any future tax liability as the amount paid is non-refundable.

Management considers that it has a strong chance of success in the court case, arguing that it is illogical to classify floating chips as taxable revenue. Management's position is that floating chips represent a temporary exchange - where cash is converted into chips to play games, rather than generating income. Since the chips can be exchanged back for cash at any time and no profit is made in this process, they are treated as liabilities (trade payables) rather than revenue. Their view is that taxable revenue should only be recognised if the casino ceases operations and any chips remain unredeemed.

In the event of an unfavourable outcome in the proceedings, management has confirmed that there are sufficient cash reserves to meet the outstanding penalties. However, this would result in a shortfall of approximately A$5.2 million in Aristo's operating reserve account. To cover this shortfall, management has stated that it would use cash held in Star Vegas, or that Mr Lee Bug Huy may cover the residual shortfall. In his letter of financial support, Mr Huy confirmed he would continue to finance the operations of Donaco, including the payment of the tax penalty and any accrued interest.

Donaco has recognised and disclosed the following in respect of the ongoing dispute:

- In the FY23 financial statements, an expense of A$9.0 million for VAT, SST and associated fines, and an income tax expense of A$0.6 million relating to the taxation dispute with the Vietnamese GDT were recognised following the GDT's determination;
- In the half-year ended 31 December 2024, the statement of financial position included a taxation fine and penalty payable of A$8.3 million. Management has advised that the taxation fine and penalty payable amount excludes A$0.6 million, which relates to additional income tax payable in connection with the taxation dispute. Management has confirmed that as of 28 February 2025 the total amount payable to Vietnamese GDT in respect of this dispute is A$8.8 million; and
- In the same half-year ended 31 December 2024 accounts, a note disclosure for a contingent liability was recognised if Aristo's appeal is unsuccessful. This recognised a A$1.92 million contingent liability, comprising of approximately A$1.8 million in interest on late payment of the fines, A$36,531 in value added tax ('VAT') and A$94,710 in special sales tax for the movement in the floating chips balance in the years ended 30 June 2022 through to 30 June 2024.

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5.2.2 The Star Vegas

Acquisition of the Star Vegas

On 30 January 2015, Donaco announced the execution of a share sale agreement with Mr Somboon Sukjaroenkraisi and Mr Lee Bug Tong ('the Vendors') for the acquisition of the Star Vegas. As part of the acquisition, the Vendors incorporated a new company, DNA Star Vegas Co. Ltd ('DNA Star Vegas'), to acquire the business asset of the Star Vegas via a business transfer agreement. Donaco then acquired 100% of the issued share capital in DNA Star Vegas from the Vendors for a total consideration of US$360 million[4].

The acquisition was structured as a purchase of the operating business and associated assets of the Star Vegas, excluding the underlying land. The Star Vegas operates on a 70-year leasehold for the land, with 55 years remaining at the time of acquisition. The lessor of this lease was the Vendors.

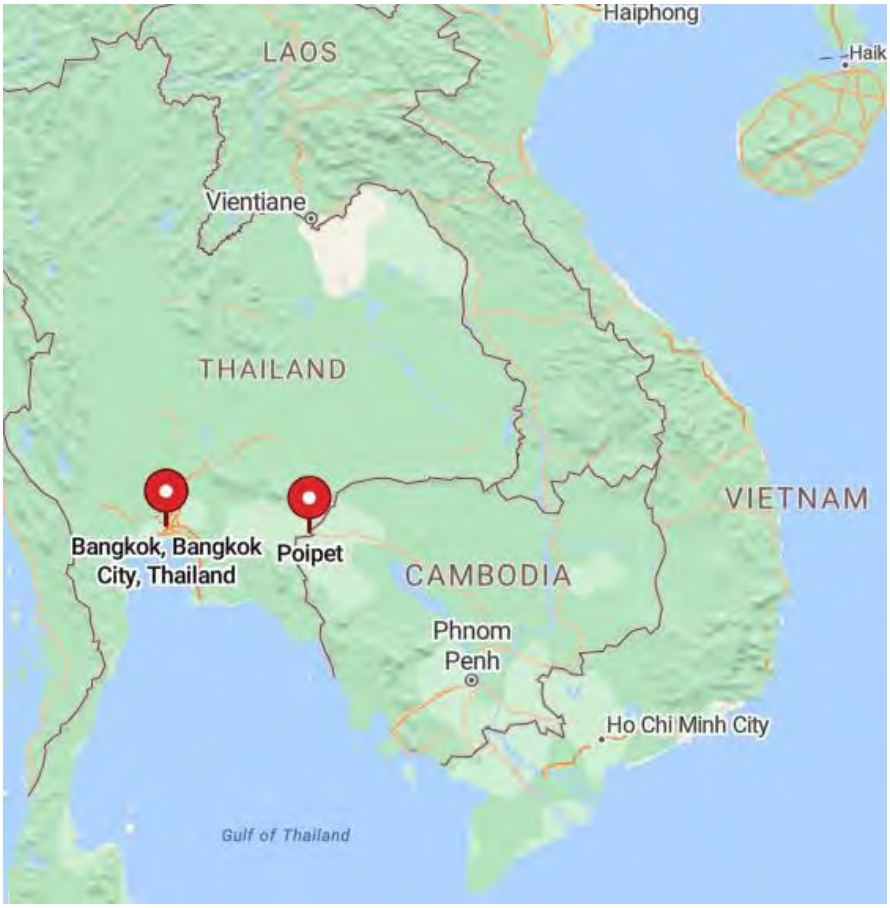
Under the terms of the acquisition, the Vendors agreed to manage the property for two years post-acquisition without the usual management fees. However, if the property reaches an EBITDA of US$60 million per year, the Vendor would be paid 25% of net profit after tax ('NPAT') as a management fee.

The total consideration of US$360 million for the Star Vegas consisted of:

- Donaco shares to the Vendors: Approximately 147 million new shares (estimated to have a value of approximately US$120 million);
- A new bank debt facility: US$100 million;
- Equity financing (entitlement offer): US$100 million; and
- Existing cash on hand: Approximately US$40 million.

Figure 5.2 below maps the Poipet region on Cambodia's western border, where the Star Vegas is located and its proximity to Bangkok.

Figure 5.2: Poipet Region



Source: Bing Maps: https://www.bing.com/maps?cp=17.437499%7E107.328816&lvl=6.0

The Star Vegas was established in 1999 and at the time of acquisition in 2015 consisted of a hotel and casino resort including:

[4] Donaco stated in an announcement on 30 January 2015 that the acquisition price of US$360 million represented a <6x CY14E EBITDA multiple.

- 57,000 square metres of usable building space;
- 126,000 square metres of land;
- A 70-year leasehold agreement of which 55 years were remaining;
- Four hotels with a total of 385 rooms;
- A sports bar with sports, racing and lotto wagering licenses;
- 109 gaming tables and 1,264 electronic gaming machines of which 288 are owned outright and 976 subject to profit sharing arrangements; and
- Multiple restaurants, shops, health spa, nightclub, swimming pool and a fleet of buses and vans.

Gambling is and remains illegal in Thailand and Cambodian citizens are not permitted to enter casinos.

At the time of acquisition, Star Vegas recorded a daily average of approximately 5,000 visitors, primarily comprising Thai nationals due to Poipet's proximity to the Thailand-Cambodia border. Since then, average daily visitation has consistently declined. In FY24, Star Vegas's hotel recorded an average occupancy rate of 57.07% and welcomed approximately 918 visitors per day. By comparison, in FY16, the first full financial year of operations under Donaco's management, the casino averaged around 5,114 daily visitors.

Visitation to Star Vegas was significantly affected by the COVID-19 pandemic, with the average daily visitor count declining from 3,471 in FY20 to 271 in FY21. Further details on the impacts of COVID-19 are set out in Section 5.3.

In terms of regional competition, there were 10 legal casinos operating in Poipet in 2016, increasing to 22 by 2019. This represents a 120% increase over three years; indicating high competition during and following the acquisition of Star Vegas.[5,6] As at 2025, Casino City lists six licensed casino operators in the area, while a Google search identifies 18 active casino locations, suggesting competition in the region remains high.[7] It is important to note that the reported number of legal casinos during that period does not account for potential illegal gambling establishments in the region.

Since the acquisition of Star Vegas, there has been no major capital expenditure or capital improvements made to the asset. However, an adjoining property, Star Paradise, was developed and operated by Donaco under a management agreement until June 2017. All related capital expenditure of the Star Paradise was borne entirely by the developers, being the Vendors. Further discussion on the management agreement and Star Paradise is detailed in the "Legal Dispute with Thai Vendors" section below.

Management has advised the following in relation to other capital expenditure for the Star Vegas:

- Capital expenditure has been minimal and primarily allocated to replacement needs and general maintenance (i.e. maintenance capital expenditure);
- There are currently no plans for any major refurbishment or a strategic asset management plan; and
- Star Vegas's level of capital expenditure is relatively low compared to competitors, including NagaCorp (Cambodia's largest casino operator).

Legal dispute with Thai Vendors

In August 2016, Donaco entered into a management contract to operate a gaming room at the adjoining Star Paradise property, which is owned by the Vendors. Under the terms of the agreement, Donaco received a management fee of THB 5 million per month, in addition to reimbursement of expenses. During this period, the Star Paradise operated under the Star Vegas gaming licence.

The management contract expired in June 2017, and no new contract or alternative arrangement was implemented. Despite this, the gaming room at Star Paradise continued to operate. Donaco further identified an illegal casino operation, trading under the name Paramax, on land owned by the Vendors, which featured casino tables concealed behind a supermarket business. In Donaco's view, both the continued operation of the Star Paradise and the presence of Paramax constituted breaches of the existing non-compete agreements existing between Donaco and the Vendors.

In response, Donaco issued a cease-and-desist letter and withheld payment of the management fee owed to the Vendor relating to the 2017 financial year.

Between 2016 and 2019, Donaco and the Vendors were involved in a legal dispute concerning various matters associated with the operation of the Star Vegas business. These matters included, but were not limited to, alleged breaches of non-compete agreement(s) and operation of the gaming room at the Star Paradise, alleged missed payments on the Star Vegas's land lease, and alleged missed payments of management fees ('the Litigation').

On 2 March 2020, Donaco announced that the Company had settled the various proceedings in Singapore, Australia, Thailand and Cambodia with Somboon Sukcharoenkaisri, Mr Lee Bug Tong, Mr Lee Bug Huy (subsequently appoint CEO

[5] Bureau of International Narcotics and Law Enforcement Affairs: https://2009-2017.state.gov/j/inl/rls/nrcrpt/2016/vol2/253388.htm
[6] Bangkok Post: https://www.bangkokpost.com/life/travel/1668144/chinese-punters-flock-to-poipet
[7] Casino City: https://www.casinocity.com/cambodia/

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of Donaco effective 3 September 2020), Lee Hoe Property Co Ltd, Paramax Co Ltd and related persons (together 'the Thai Vendors') arising from the Litigation.

Donaco and its subsidiary DNA Star Vegas executed settlement agreements ('the Settlement Agreements') with the Thai Vendors. Under the terms of the Settlement Agreements, the parties executed and amended perpetual lease agreement for the Star Vegas casino, granting Donaco security of tenure over the Star Vegas casino until 15 June 2115.

The parties also otherwise agreed to the following:

- Donaco would receive US$38 million to remove the non-competition and non-solicitation clauses in the Star Vegas share sale agreement;
- Donaco would pay US$18 million to settle the claims for unpaid management fees plus interest;
- Donaco would pay any outstanding rent and an additional lease payment of US$20 million to Lee Hoe Property following which additional lease payment would resume and continue in perpetuity and restructured as follows:
  - US$20,000 per month for 5 years from the effective settlement date;
  - US$30,000 per month starting from 6th year to the end of the 10th year;
  - From the 11th year onwards, the monthly rent would increase by 3% every year; and
  - For the 5 financial years commencing 1 July 2020 (i.e. FY21) the Thai Vendors are entitled to receive 25% of the Star Vegas business's EBITDA that exceeds US$16 million for the relevant financial year (i.e. if the EBITDA for a given year is US$17 million, the Thai Vendors would be entitled to 25% of the US$1 million exceeding the threshold, being US$250,000).
- The Thai Vendors agreed not to dispose of their shares in Donaco for a period of six months from the date of the settlement;
- The previous management agreement was terminated;
- The Star Vegas casino's share sale agreement was amended to acknowledge the existence of the competing casino (i.e. the Star Paradise) constructed near the Star Vegas casino; and
- Both parties agreed to cease all legal actions.

For completeness, we note that under the original lease agreement between Star Vegas and Lee Hoe Property, the monthly rent payable for Years 1 to 5 was USD$10,000, with increases of approximately 2% every five years. This is significantly lower than the monthly rent under the restructured perpetual lease agreement, which commenced at USD$20,000 per month; roughly double the amount compared to the original lease terms.

On 17 April 2020, the Company announced that the parties had agreed to the following additional settlement amendments:

- The payment of US$18 million payable by Donaco is to be offset against the payment of US$38 million owed and payable by the Thai Vendors;
- The net US$20 million balance payable by the Thai Vendors to Donaco will be paid instead to Lee Hoe Property Co Ltd in discharge of Donaco's obligations under the Settlement Agreement for the perpetual lease for the Star Vegas.

The final settlement was officially completed on 11 January 2021.

Capital requirements legislation

Following the promulgation of the Law on the Management of Commercial Gambling in November 2020, the Royal Government of Cambodia issued on 26 August 2021 Sub-Decree No. 166 on the Minimum Capital Requirement for Casino Operation. This sub-decree sets out the definition of 'capital' and the minimum capital requirements for new and existing casino operators in Cambodia, which apply to both stand-alone casinos and casinos within integrated resorts.

Prior to the enactment of the law, there were no integrated resorts as all existing casino operations were stand-alone operations. For existing casino operations duly licensed to operate prior to the enactment of the law, the minimum capital requirement of at least KHR400 billion (approximately US$100 million or A$160.8 million[8]) was to be satisfied over the period below and implemented in five phases:

- Phase 1 (Year 1 - 30 June 2022): at least KHR 50 billion (approximately US$12.5 million);
- Phase 2 (Year 4 - 30 June 2025): at least KHR 100 billion (approximately US$25.0 million);
- Phase 3 (Year 7 - 30 June 2028): at least KHR 200 billion (approximately US$50.0 million);
- Phase 4 (Year 11 - 30 June 2032): at least KHR 300 billion (approximately US$75.0 million); and
- Phase 5 (Year 15 - 30 June 2036): at least KHR 400 billion (approximately US$100 million).

[8] Amounts in A$ appear as reported in Donaco's 31 December 2024 half-year review report in disclosure note 5.

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These capital requirements apply to Donaco's Star Vegas and imposes substantial capital requirements on Donaco, impacting its financial flexibility, capacity to distribute surplus cash, and ability to pursue expansion initiatives.

Donaco has currently met the phase 2 capital requirement by increasing its share capital to US$25 million. On 9 September 2024, the board of directors of DNA Star Vegas[9] authorised the withdrawal of US$12.5 million from its reorganisation reserve and increased the share capital from US$12.5 million to US$25 million. This update was reflected in the Company's Memorandum and Articles of Association dated 23 October 2024, which was then submitted to the Commercial Gambling Management Commission ('CGMC') of Cambodia.

Management have indicated they are exploring strategies to generate internal funding to achieve the phase 3 minimum capital requirement by 30 June 2028. These strategies include:

- Capitalising the remaining reorganisation reserve of approximately US$11 million (consistent with the strategy previously adopted to meet the first two phases, which was accepted by the CGMC); and
- Exploring a bonus share issue of approximately US$14 million. With regard to this strategy, we note that Management have advised it would involve Star Vegas distributing additional shares to Donaco Hong Kong Limited without receiving any capital in return (i.e. the issuance would be implemented by converting retained earnings into equity capital). However, if CGMC does not accept this approach, Management have indicated they will consider increasing Donaco Hong Kong Limited's interest in Star Vegas through cash contributions, potentially sourced from shareholder loans or operational revenue over time.

Potential tax obligations on casino gambling in Cambodia

On 30 December 2022 the Ministry of Economy and Finance of Cambodia issued Prakas No. 1080, regarding the rules and procedures for tax obligations of commercial gambling companies. This Prakas applies to self-declaration regime taxpayers who operate commercial gambling businesses in Cambodia. The term 'commercial gambling' refers to gambling activities at casinos, betting shops, as well as the lottery and/or other commercial gambling that generate profit[10]. Commercial gambling is considered a provision of services to gamblers, lottery players and bettors.

As detailed in Note 7 of Donaco's FY22 Annual Report, the Star Vegas previously operated under the Lump Sum Tax Regime. Under this regime, income tax expense was represented by monthly gaming and non-gaming obligatory payments made to the Cambodian Ministry of Economy and Finance. Upon payment of the fixed gaming tax, the Star Vegas was exempted from all other categories of tax on gaming activities, including advance profits tax, minimum tax, and advance tax on the distribution of dividends.

Donaco's Star Vegas casino and gaming operations now fall under the jurisdiction of the Cambodian GDT, and as such, are subject to the tax obligations imposed by Prakas No. 1080. Under Prakas No. 1080, the key revised tax obligations include:

- VAT: gross gaming revenue ('GGR') from gambling services is considered a taxable supply and subject to a 10% VAT[11];
- Prepayment of tax on income ('PToI'): A 1% PToI is levied on the monthly turnover of the gambling business[11]; and
- Annual tax on income ('ToI'): An annual ToI at the standard rate of 20% is applicable, having regard to existing tax regulations[11].

Existing tax rules regarding local and foreign withholding tax, tax on salary, and fringe benefits tax remain applicable. Prakas No. 1080 provides detailed guidelines on calculating gross gambling revenue and tax with examples of various scenarios.

Management have advised that on 5 October 2023, the CGMC and the Cambodian GDT conducted a seminar where it was verbally confirmed that the Cambodian GDT's tax obligations on casino gaming would be extended until 31 December 2024, meaning that the additional tax obligations required under Prakas No. 1080 were waived for the calendar years 2023 and 2024.

With this verbal confirmation, Donaco has not declared the Cambodian GDT tax obligations on casino gaming from 1 January 2023 to 31 December 2024. Additionally, Donaco submitted a request letter to the CGMC for written confirmation but is yet to receive a response. Management have advised that if Star Vegas had been required to declare VAT on GGR and tax on income in accordance with Prakas No. 1080 for FY23 and FY24, NPAT would have decreased by 61% and 31% respectively. Management notes that the larger percentage decrease in FY23 is due to a higher GGR and a lower net win after commissions from junket operations.

Management's view is that the waiver verbally confirmed by the CGMC remains valid until 31 December 2024. Due to Management's perceived uncertainty, Donaco has not yet commenced declaring the Company's Cambodian GDT tax obligations from 1 January 2025 onwards. Management anticipates that if Star Vegas complies with the tax obligations set out in Prakas No. 1080, NPAT could decrease by approximately 30%.

[9] Mr Lee Bug Huy, Mr Wong Vai Lap, and Mr Yeo Chiaw Lim
[10] PwC's January 2023 'Cambodia News Brief' - https://www.pwc.com/kh/en/publications/newsbrief/kh-newsbrief-january-2023.pdf
[11] KPMG's 'Investing in Cambodia' - https://assets.kpmg.com/content/dam/kpmg/kh/pdf/publication/2023/kpmg-investing-in-cambodia-2023-and-beyond.pdf

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The CGMC organized a meeting on 10 March 2025 to discuss the Cambodian GDT tax obligation on casino gaming, during which Management have advised that multiple casinos expressed concerns. Management understands that the feedback from this meeting indicated that these concerns would be escalated to Cambodia's Ministry of Economy and Finance, with an emphasis on all casinos adhering to Prakas No. 1080 with effect from 1 January 2025.

Donaco sent a letter to the GDT on 26 February 2025 requesting an extension of time to declare VAT on their GGR, in accordance with Prakas No. 1080, which was previously emphasised by both the GDT and CGMC as applying from 1 January 2025. The GDT responded in writing on 2 April 2025, rejecting the extension request and reaffirming that Donaco must comply with Prakas No. 1080 and all other applicable taxation laws and regulations of the Kingdom of Cambodia.[12]

As at the date of this Report, Donaco continues to engage with both the GDT and broader Cambodian Government regarding the applicability of Prakas No. 1080, including concerns raised by Donaco and other industry stakeholders about overlapping tax burdens arising from the imposition of 10 percent VAT on GGR in addition to the existing mandatory 7 percent contribution on GGR. While no tax assessment has yet been received in relation to Prakas No. 1080, Donaco has acknowledged based on legal advice that it should recognise a liability for any taxes potentially payable. The Company estimates this could amount to approximately A$666,000 for the third quarter of FY25 (i.e. 1 January to 31 March 2025).[12]

Potential legislation to be introduced by Thailand

On 28 March 2024, Donaco announced that the Government of Thailand voted in favour of a study panel of lawmakers to allow casinos to operate within large entertainment complexes in the country. This study was submitted to the Thailand Government for a decision on the suitability of legalising casinos in Thailand.

In January 2025, the Thai Cabinet approved in principle the draft Entertainment Complex Business Act, a legislative proposal aimed at legalising casino operations within integrated entertainment complexes. The initiative is intended to stimulate tourism and drive economic growth by permitting the establishment of designated entertainment zones including casinos, hotels, shopping centres, convention facilities, and theme parks.[13]

Under the draft legislation approved in January 2025, casino floors will be restricted to a maximum of 10% of the total floor area of each complex.[14] Only Thai-registered companies with a minimum paid-up capital of THB 10 billion will be eligible to operate such complexes.[13] Licences will be granted for an initial term of 30 years, subject to a one-time licensing fee of THB 5 billion and ongoing annual payments of THB 1 billion.[13] Lease agreements for land use are limited to 50 years, with renewals then permitted for up to 49 additional years, starting from the end of the initial term.[13]

Thailand's proposed casino framework is expected to generate substantial investor interest due to its comparatively favourable terms, including capital requirements roughly half those of Macau, a 30-year licence term (versus Macau's 10 years), and a 17% tax on gross gaming revenue, well below Macau's 35%. Six major international operators including Las Vegas Sands, Wynn Resorts, Caesars Entertainment, MGM China, Hard Rock Café, and Melco Resorts & Entertainment have reportedly expressed interest. Melco chairman and CEO Lawrence Ho confirmed the company has opened an office in Bangkok in anticipation of applying for a casino licence.[15]

Notably, online gambling will remain prohibited under the proposed framework.[13]

In the legislation's current form, access for Thai nationals will be restricted through an entry fee of THB 5 thousand (approximately US$150) per visit.[16] The initial proposal also requires prospective visitors to maintain THB 50 million (approximately US$1.5 million) in bank deposits, however this has faced widespread public criticism for being exclusionary and is currently under reconsideration.[165]

The legalisation of domestic casinos within Thailand could significantly impact cross-border movement, reducing a key revenue stream for Star Vegas and similar establishments situated along the Thai-Cambodian border. While the timing and final form of the legislation remain uncertain, the draft law presents a material competitive threat to the existing customer base of Star Vegas.

Currently, the likelihood of the draft Entertainment Complex Business Act becoming law remains uncertain and is subject to various political and social dynamics. Deputy Finance Minister Julapun Amornvivat notes that if the legislation is approved in its first reading in the House of Representatives was originally scheduled for 9 April 2025 the second and third readings can be addressed as soon as the House of Representatives reconvenes in July 2025.[17]

As at the date of this Report, we note the first reading in the House of Representatives has been delayed until July 2025. The Prime Minister of Thailand has detailed that the bill would not be withdrawn, however, the legislative agenda must first prioritise more pressing issues such as earthquake relief measures and US import tax concerns.[18]

[12] Donaco ASX Announcement dated 9 May 2025: https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02945131-2A1595747&v=7bc42bd11d853ed5e8c28f2ffcd6a069ee5cd6b4
[13] AP News - https://apnews.com/article/thailand-legalizes-casino-entertainment-complex-68422ccdb4823ae0757c6c3ec7064e40
[14] Tilleke & Gibins - https://www.tilleke.com/insights/thailands-cabinet-approves-principles-of-the-draft-entertainment-complex-act/94/
[15] The Business Times: https://www.businesstimes.com.sg/international/global/casino-plan-could-put-thailand-behind-only-las-vegas-and-macau
[16] Reuters - https://www.reuters.com/world/asia-pacific/thai-cabinet-approves-draft-law-casinos-with-limits-local-gamblers-2025-03-27/
[17] Nation Thailand - https://www.nationthailand.com/blogs/news/policy/40048429
[18] Asia News Network - https://asianews.network/thailands-entertainment-complex-bill-showdown-set-in-3-months

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If approved by the House of Representatives, the legislation will be submitted to the Senate for an additional three readings and then forwarded to the king for royal assent.[13] Maybank Investment Bank projects that if approved, the first entertainment centre may be open by 2029.[19]

5.3 Impact of the COVID-19 pandemic on Donaco's operations and cash-flow

On 30 March 2020, Donaco announced the temporary closure of Star Vegas operations, following a mandate by the Cambodian Government requiring all casinos to close from 1 April 2020 onwards in response to the onset of the COVID-19 pandemic. Similarly, on 1 April 2020 Donaco announced the temporary closure of the Aristo's casino operations following the Vietnamese Government's announcement mandating the temporary closure of all casinos on this date.

Star Vegas was reopened, temporarily closed again, and subsequently reopened multiple times throughout the COVID-19 pandemic, until the Company announced that operations had resumed on a permanent basis as of 17 June 2022. The Aristo was also the subject of various temporary closures and reopenings as the border between Vietnam and China remained closed.

From 25 September 2020 to 17 June 2022, the Star Vegas operated on a limited basis, as the border between Cambodia and Thailand remained mostly closed which adversely affected the Star Vegas' profitability. Throughout the pandemic, Donaco repeatedly announced that the level of patronage at both the Company's Cambodian and Vietnamese operations was severally impacted.

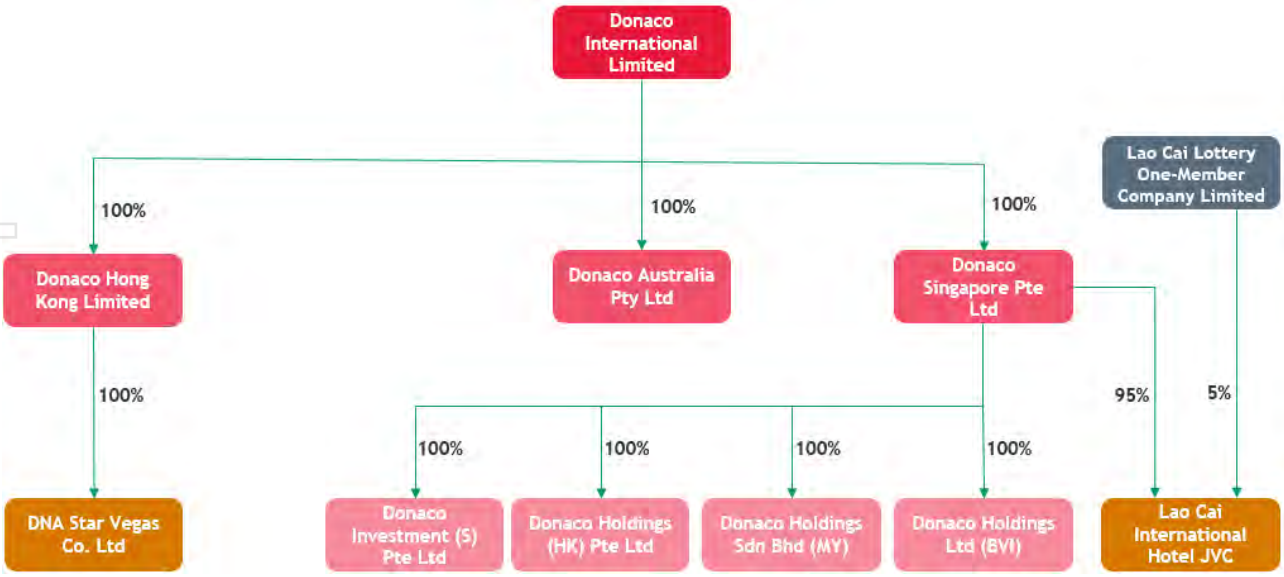
To mitigate the impact of COVID-19 on the business, Donaco adopted cost control and balance sheet strengthening measures which included:

- Negotiation with Donaco's primary financier, Mega International Commercial Bank Co, Ltd ('Mega Bank'), to mitigate the effects of the significant reduction by deferring payments under its Mega Bank debt facility until the banking facility was subsequently repaid on 5 January 2022; and
- The successful completion of a pro-rata, non-renounceable entitlement offer of new ordinary shares in Donaco. Announced on 3 July 2020, the offer comprised one new share for every two shares held by eligible shareholders at an issue price of A$0.035 per share, resulting in the issuance of 411,796,609 new shares. The closing share price on 2 July 2020 was A$0.035. A total of 113,692,949 shares (27.61% of the offer) were subscribed for by existing shareholders, with the remaining 298,103,660 shares (72.39%) were acquired by Mr Lee Bug Tong and Mr Lee Bug Huy. The entitlement offer raised approximately A$14.4 million before fees. The entitlement offer was fully underwritten by Mr Lee Bug Huy and Mr Lee Bug Tong increasing their combined interest in Donaco from 23.66% to 42.08%.

5.4 Corporate structure of Donaco

Figure 5.3 below sets out the corporate structure of Donaco.

Figure 5.3: Corporate Structure of Donaco



Source: Management

Regarding Figure 5.3, we note the following:

- Donaco International Limited is the ultimate holding company;
- Donaco Hong Kong Limited is the holding company for DNA Star Vegas, which manages the Star Vegas;

[19] GGRAsia - https://www.ggrasia.com/thai-assembly-backs-casinos-maybank-thinks-2029-for-first

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- Donaco Australia Pty Ltd is currently dormant. It previously managed the operations of a New Zealand gaming service, which was discontinued in January 2015;
- Donaco Singapore Pte Ltd is the holding company for Lao Cai International Hotel JVC, which manages the Aristo's operations. It holds a 95% ownership interest as part of the Lao Cai International Joint Venture with the Vietnamese government via Lao Cai Lottery Co;
- Lao Cai Lottery One-Member Company Limited, owned by the Vietnamese government, is party to the joint venture and holds the remaining 5% of Lao Cai International Hotel JVC;
- Donaco Investment (S) Pte Ltd is an investment company. It is currently dormant and holds no investments;
- Donaco Holdings (HK) Pte Ltd is a cost centre for corporate operations and marketing activities;
- Donaco Holdings Sdn Bhd (MY) is a cost centre for corporate operations; and
- Donaco Holdings Ltd (BVI) is a cost centre for corporate operations.

5.5 Equity structure of Donaco

As at 31 March 2025, Donaco had 1,235,389,382 fully paid ordinary shares on issue[20]. The substantial shareholders are set out in Table 5.4.

Table 5.4 does not consider the impact of any changes in shareholding resulting from the Proposed Transaction.

Table 5.4: Substantial shareholders

	Shareholder	Number of Shares	Percentage of total shares (%)
1	Mr Lee Bug Tong[1]	259,451,477	21.00%[1]
2	Mr Lee Bug Huy[1]	259,451,476	21.00%[1]
3	On Nut Road Limited (ONR)	158,574,603	12.84%
	Other shareholders	557,911,826	45.16%
	Total	1,235,389,382	100.00%

Source: Donaco share register as at 31 March 2025

[1] *To avoid double counting, the shareholdings attributed to Mr Lee Bug Tong and Mr Lee Bug Huy do not include the 1,000,000 shares held by Highest Point Investments Ltd, in which both individuals have a 100% beneficial interest. Including these 1,000,000 shares in the relevant interest of each of Mr Lee Bug Tong and Mr Lee Bug Huy would increase each relevant interest to 21.08%.*

Having regard to the information set out in Table 5.4 above, we note:

- As at 31 March 2025, Donaco's three substantial shareholders, ONR, Mr Lee Bug Tong and Mr Lee Bug Huy held a combined interest of 55% in Donaco;
- Mr Lee Bug Huy (the current Donaco CEO) and Mr Bug Tong Lee are the sons of the Thai businessman from whom Donaco acquired the Star Vegas in 2015;
- Mr Lee Bug Huy also currently provides funding to Donaco through an unsecured loan facility totaling A$20.6 million, of which A$9.6 million remains undrawn (Non-Associated Shareholders should refer to Note G of the Statement of Financial Position in Section 5.7.2 for further details); and
- In 2019, ONR acquired 158,574,603 shares in Donaco, representing approximately 19.25% of the Company's issued capital at the time (Non-Associated Shareholders should refer to Section 5.1.3 for further details). ONR's relevant interest was diluted following its non-participation in the pro-rata (non-renounceable) entitlement offer completed on 27 July 2020 (as announced on 3 July 2020). The entitlement offer comprised 411,796,609 new shares at an issue price of $0.035 per share. Shareholders applied for 113,692,949 new shares, with the remaining 298,103,660 shortfall securities taken up by the underwriters (Mr Lee Bug Huy and Mr Lee Bug Tong).

[20] We note that included within Donaco's 1,235,389,382 fully paid ordinary shares are 1,646,042 treasury shares, held for the purpose of issuing shares under the employee share scheme. As detailed in Note 18 of Donaco's FY24 annual report, the treasury shares are estimated at A$0.5 million.

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In addition to the above analysis, Table 5.5 below sets out a summary of the share distribution of Donaco.

Table 5.5: Share distribution

Range of shares held	No. of Shareholders	No. of ordinary shares	Percentage of issued shares (%)
1 - 10,000	686	1,796,226	0.15%
10,001 - 50,000	304	7,660,633	0.62%
50,001 - 250,000	194	23,231,097	1.88%
250,001 - 750,000	80	35,111,970	2.84%
750,001 - 3,000,000	51	70,687,418	5.72%
3,000,001 - 10,000,000	9	44,175,588	3.58%
10,000,001 - and over	13	1,052,726,450	85.21%
Total	1,337	1,235,389,382	100.00%

Source: Donaco share register as at 31 March 2025

Having regard to the information set out in Table 5.5 above, we note:

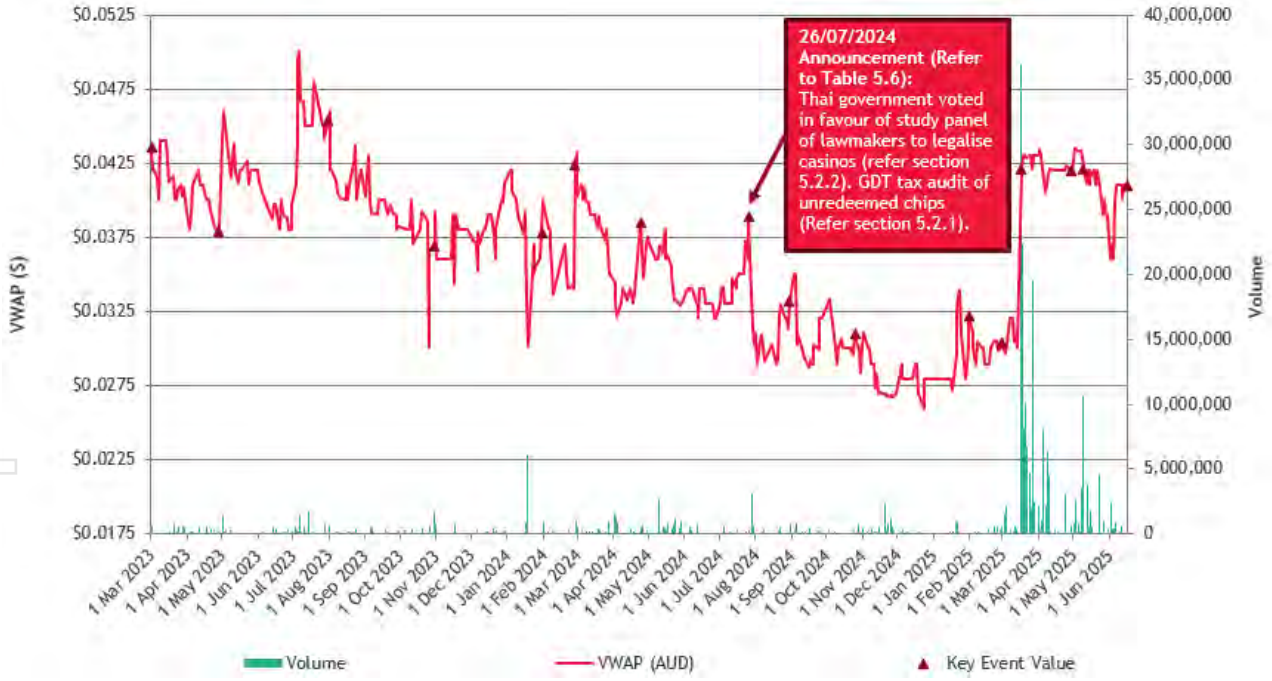
- Donaco has a highly concentrated share ownership, with 94.51% of all ordinary shares held by 5.46%, or 73, of shareholders by number; and
- Shareholders with interests between 1 - 50,000 shares represent the majority of shareholders by number but only own 0.77% of the Company.

5.6 Share trading data of Donaco

5.6.1 Share trading data

Figure 5.4 displays the daily volume weighted average price ('VWAP') and daily volume of Donaco shares traded on the ASX over the period between the 1 March 2023 and 16 June 2025.

Figure 5.4: Daily VWAP and volume of Donaco shares traded from 1 March 2023 to 16 June 2025



Source: Capital IQ as at 17 June 2025

Over the period graphed in Figure 5.4 above, Donaco's daily VWAP displays a period low of $0.026 on 23 December 2024 and a period high of $0.050 on 6 July 2023.

In addition to the share price and volume data of Donaco shown above, we have also provided additional information in Table 5.6 below to assist the Non-Associated Shareholders to understand the possible reasons for the movement in Donaco's share price over the period analysed. The selected ASX announcement references in Table 5.6 below correspond to those displayed in Figure 5.4 above.

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Table 5.6: Selected Donaco ASX announcements from 1 March 2023 to 16 June 2025

Date	Announcement
01/03/2023	Donaco released the Company's results summary for the half year ended 31 December 2022, reporting consolidated net revenue of A$9.9 million and EBITDA of A$3.3 million for the period. The Company also noted that it expected the Aristo to be fully operational in the coming months and that China's reopening of its borders in January 2023 presented significant upside potential.
28/04/2023	Donaco released the Company's results for the March 2023 quarter and announced net revenue of A$7.5 million and EBITDA of A$4.1 million for the March quarter. The Company also noted that the Star Vegas had reached full operational capacity and that the reopening of China's borders was leading to a gradual reopening of the Aristo to full operations in the coming months.
31/07/2023	Donaco released the Company's results for the July 2023 quarter and announced net revenue of A$6.9 million and EBITDA of A$2.4 million for the July quarter. The Company also noted that the Star Vegas was running stably after reaching full operational capacity in March 2023 and that the Aristo's operational recovery was almost complete. Donaco maintained its positive outlook as Chinese tourist flows to Vietnam increased in addition to the Cambodian and Thai governments seeking to boost border tourism between the two countries.
30/10/2023	Donaco released the Company's results for the October 2023 quarter and announced net revenue of A$9.7 million and EBITDA of A$5.7 million for the October quarter. The Company also noted that its casinos are almost fully operational with the Star Vegas performing strongly following an increase in international tourism.
30/01/2024	Donaco released the Company' results for the January 2024 quarter and announced net revenue of A$9.7 million and EBITDA of A$5.1 million for the January quarter. Donaco observed stable visitation numbers following reduced border restrictions and government tourism campaigns in both Cambodia and Vietnam.
28/02/2024	Donaco released the Company's half-year results and financial report for FY24 along with an investor presentation. The Company reported net revenue of A$19.5 million, almost double the prior comparable period's results, and EBITDA of A$10.8 million, a more than threefold increase on the prior comparable period. Donaco announced expecting further growth both in the short and long-term due to increased travel as well as the opening of the Sapa airport in Lao Cai, located near the Aristo's operation. The Sapa airport was scheduled to open in 2025.
24/04/2024	Donaco released the Company's results for the March 2024 quarter and announced net revenue of A$12.7 million and EBITDA of A$8.4 million, in-line with the Company's observed increased in quality players' visitation and consistent level of tourism.
26/07/2024	Donaco released the Company's results for the June 2024 quarter and announced net revenue of A$10.8 million and EBITDA of A$6.3 million and noted an increased average daily visitation across both operations following visitor retention and government tourism campaign. Donaco announced that on 28 March 2024, the Thailand Government voted in favour of a study panel of lawmakers to allow casinos to operate within large entertainment complexes in Thailand. This study was to be submitted to the Thailand Government for a decision on the suitability of legalising casinos in Thailand and may impact the Star Vegas' operations. For completeness, we note this legislation was approved in principle in January 2025. Non-Associated Shareholders should refer to Section 5.2.2 for further details on this legislation. Donaco also announced that the Aristo is undergoing a tax audit of unredeemed chips (chips customers deposit at Aristo), and the Vietnam General Department of Taxation has deemed the chips as Donaco's revenue. This could amount to potential tax payments of ~US$5.9 million. Donaco has engaged a consultant to lodge an appeal and the result is uncertain.
30/08/2024	Donaco released the Company's FY24 preliminary final report, results commentary and investor presentation. The Company reported that for FY24, Donaco generated A$39.5 million (FY23: A$24.3 million) and EBITDA of A$16.7 million (FY23: A$10.8 million). The Company also mentioned that it was actively evaluating potential disruptors including the Integrated Entertainment Business Act in Thailand and a separate Aristo tax audit. The Company announced that the Vietnam General Department of Taxation denied Aristo's appeal application regarding the tax payable for floating chips.
25/10/2024	Donaco released the Company's results for the September quarter and announced net revenue of A$10.3 million and EBITDA of A$5.6 million. With regard to the appeal application for the tax payable on the floating chips, the Company announced that it has lodged a complaint with the local court and, in October 2024, was granted leave to initiate legal proceedings to challenge the basis and validity of the Vietnam General Department of Taxation's decision. The Company estimates the potential liability to be approximately A$8.9 million.
31/01/2024	Donaco released the Company's results for the quarter ended 31 December 2024 and announced net revenue of A$10.3 million and EBITDA of A$5.8 million for the December 2024 quarter. The Company announced that on 13 January 2025, the Thai Cabinet approved the draft bill in-principle, to legalise casinos and regulate entertainment complex operations in Thailand. The proposed entertainment complexes are envisioned as integrated resorts that will include hotels, convention halls, shopping malls, theme parks, and venues for local sports, with casinos occupying only 10% of the area. The draft bill is set to be submitted to Parliament for further deliberation. The Company had no further updates to its legal proceedings in relation to Donaco's legal proceedings against the Vietnam General Department of Taxation denial of Aristo's appeal application in relation to unredeemed chips (chips customers deposit at Aristo).

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Date	Announcement
28/02/2024	Donaco released the Company's half-year results and financial report for FY25 along with an investor presentation. The Company reported net revenue of A$21.83 million (A$19.5 million in the prior comparable period) and EBITDA of A$11.4 million (A$9.7 million in the prior comparable period). The Company noted that it continues to monitor the draft Entertainment Complex Business Act to legalise casinos and regulate entertainment complex operations in Thailand. The proposal is open for public hearings until 1 March 2025. The Company also noted that representatives of Donaco had two dialogue meetings on 21 January 2025 with the Vietnam General Department of Taxation at the Hanoi People's Court to discuss the appeal. Following the second meeting, the case will be brought to a public trial. The date of this trial has been set for 2 June 2025.
17/03/2025	Donaco announced that it has entered into a binding Scheme Implementation Deed with ONR for ONR's proposed acquisition of 100% of the shares in Donaco that it does not already own via a Scheme of Arrangement for A$0.045 cash per Donaco share.
29/04/2025	Donao released the Company's results for the quarter ended 31 March 2025 and announced net revenue of A$10.0 million and EBITDA of A$4.1 million. The Company noted that visitation numbers remained stable across the Company's operations following reduced border restrictions, government tourism campaigns and a continued increase in regional tourism. The Company's directors reiterated their unanimous recommendation of the Proposed Transaction announced on 17 March 2025. They noted that the offer provides value to shareholders, representing a 54.10% premium to the 90-day VWAP. The directors also stated that the Scheme removes exposure to operational and regulatory risks, including fundraising constraints and potential impacts from Thai regulatory changes. In relation to the Company's outlook, the directors commented that while visitation has improved, the proposed legalisation of gambling in Thailand may materially affect Star Vegas operations due to increased competition and reduced cross border patronage.
09/05/2025	Donaco has provided an update to the Scheme timetable for the SID relating to the Proposed Transaction, as well as its potential tax obligations on casino operations in Cambodia. Donaco also confirmed that the CGMC and GDT have rejected its request to extend the time to declare VAT on GGR. The Company continues to engage with Cambodian authorities on the implementation of Prakas No. 1080 and, based on legal advice, has recognised a liability of approximately A$666,000 for Q3 FY25, despite no tax assessment having been issued. Non-Associated Shareholders should refer to Section 5.2.2 for further information.
16/06/2025	Donaco announced that a brief military clash on 28 May 2025 heightened tensions along the border between Thailand and Cambodia. In response, the Thai government imposed new restrictions on 8 June 2025, including reduced border crossing hours and a ban on Thai nationals crossing into Cambodia for non-essential purposes such as tourism and gambling. These restrictions include the Aranyaprathet-Poipet border crossing, which is the closest border crossing used to Star Vegas. Since the implementation of these measures, Star Vegas has experienced a 62% decline in average daily headcount and a 42% drop in daily hotel occupancy. Donaco expects this trend to adversely affect Star Vegas' profitability for the month of June. While both the Thai and Cambodian governments have expressed a commitment to resolving the border tensions, bilateral talks held on 14 June 2025 did not yield a resolution. Donaco advised that it will continue to monitor the situation and provide updates to shareholders as appropriate.

Source: Donaco ASX announcements

Table 5.7 below sets out Donaco's VWAP for the 1 week, 1 month, 3 months, 6 months, 9 months and 12 months up to and including 14 March 2025, being the last trading date prior to the announcement of the Proposed Transaction (which occurred on 17 March 2025).

Table 5.7: Donaco's VWAP for specified periods up to and including 14 March 2025

Length of Relevant VWAP Period	Low Daily VWAP	VWAP up to and including 14 March 2025	High Daily VWAP
1 Week	$0.0300	$0.0310	$0.0320
1 Month	$0.0290	$0.0303	$0.0320
3 Months	$0.0260	$0.0303	$0.0339
6 Months	$0.0260	$0.0292	$0.0339
9 Months	$0.0260	$0.0301	$0.0388
12 Months	$0.0260	$0.0319	$0.0390

Source: Capital IQ as at 30 May 2025

1 For completeness, we note that we have also calculated a 90 trading day VWAP of $0.292 per Donaco share which is in line with the Scheme Booklet.

The information presented in Table 5.7 is shown graphically in Figure 5.5 below.

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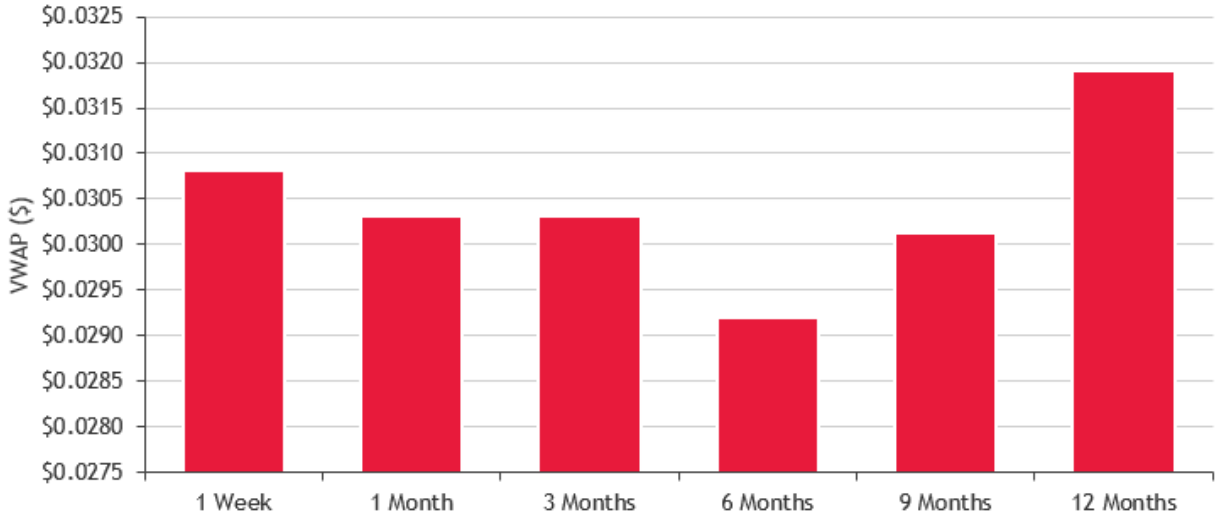
Figure 5.5: Donaco's VWAP for specified periods up to and including 14 March 2025



Source: Capital IQ as at 30 May 2025

5.6.2 Liquidity of Donaco shares on the ASX

The rate at which equity instruments are traded is generally referred to as the 'liquidity' of the equity instruments. Changes in liquidity may impact the trading price of equity instruments. This is particularly dependent on the number of equity instruments required to be bought and/or sold and the time period over which the equity instrument holder needs to buy and/or sell those equity instruments. Depending on the circumstances, a movement in market price may or may not represent a shift in value of either the equity instruments or a shift in value of the company to which the equity instruments relate as a whole.

Table 5.8 summarises the monthly liquidity of Donaco shares from 1 March 2024 to 28 May 2025. Liquidity has been summarised by considering the following:

- Volume of Donaco share trades per month;
- Value of total trades in Donaco shares per month;
- Number of Donaco shares traded per month as a percentage of total Donaco shares outstanding at the end of the month;
- The monthly low daily VWAP and high daily VWAP of the Company; and
- The volume weighted average price per month.

Table 5.8: Liquidity of Donaco shares on the ASX

Month	Volume	Shares Outstanding	Volume / Shares Outstanding	Monthly Low Daily VWAP (AUD)	Monthly VWAP (AUD)	Monthly High Daily VWAP (AUD)
May 2025 (to 28th)	32,181,770	1,234,132,190	2.61%	$0.0390	$0.0420	$0.0435
April 2025	29,627,680	1,234,132,190	2.40%	$0.0405	$0.0418	$0.0434
March 2025 (from 17th to 31st)	129,496,430	1,234,132,190	10.49%	$0.0421	$0.0426	$0.0430
Total Post-Transaction Announcement	191,305,880	1,234,132,190	15.50%	$0.0390	$0.0517	$0.0434
March 2025 (to 14th)	5,368,990	1,234,132,190	0.44%	$0.0296	$0.0303	$0.0320
February 2025	3,093,720	1,234,132,190	0.25%	$0.0290	$0.0301	$0.0310
January 2025	2,933,470	1,234,132,190	0.24%	$0.0272	$0.0307	$0.0339
December 2024	1,200,921	1,234,132,190	0.10%	$0.0260	$0.0280	$0.0290
November 2024	8,620,880	1,234,132,190	0.70%	$0.0267	$0.0274	$0.0310
October 2024	2,053,270	1,234,132,190	0.17%	$0.0283	$0.0305	$0.0334
September 2024	3,152,880	1,234,653,010	0.26%	$0.0287	$0.0309	$0.0350
August 2024	2,507,990	1,234,727,410	0.20%	$0.0290	$0.0315	$0.0332
July 2024	5,925,380	1,234,727,410	0.48%	$0.0302	$0.0326	$0.0388
June 2024	2,678,770	1,234,727,410	0.22%	$0.0320	$0.0333	$0.0340
May 2024	10,132,440	1,234,727,410	0.82%	$0.0329	$0.0353	$0.0380

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Month	Volume	Shares Outstanding	Volume / Shares Outstanding	Monthly Low Daily VWAP (AUD)	Monthly VWAP (AUD)	Monthly High Daily VWAP (AUD)
April 2024	6,660,550	1,234,727,410	0.54%	$0.0322	$0.0343	$0.0385
March 2024	3,781,490	1,234,727,410	0.31%	$0.0350	$0.0382	$0.0410
Total Pre-Transaction Announcement	58,110,751	1,234,476,300	4.71%	$0.0260	$0.0321	$0.0410

Source: Capital IQ as at 30 May 2025

5.7 Historical financial information of Donaco

This section sets out the historical financial information of Donaco. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in Donaco's annual reports, including the full Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position and Statements of Cash Flows.

Donaco's FY22 and FY23 annual financial statements have been audited by Crowe Sydney. Donaco's FY24 annual financial statements have been audited by BDO Audit Pty Ltd and Donaco's interim financial statements as at 31 December 2024 have been reviewed by BDO Audit Pty Ltd.

As at 31 December 2024, Donaco's half-year financial report included specific disclosures relating to the Company's going concern, specifically noting that:

- Donaco recorded net current assets of A$0.9 million;
- While both of Donaco's casinos (i.e. the Star Vegas and the Aristo) continue to operate stably and are generating positive cash flows, the Directors of Donaco acknowledge that the ability to continue as a going concern is dependent on the following:
  - The continued support of the shareholder Mr Lee Bug Huy (refer to Section 5.2.1 of this Report for further details); and
  - Management's expectations that the operating environments of both the Star Vegas and the Aristo casino operations will continue to improve.

The above events and conditions gave rise to a material uncertainty that may cast significant doubt on the ability to continue as a going concern. Ultimately, Donaco's 31 December 2024 financial statements were prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the amount and classification of liabilities that may be necessary should Donaco not continue as a going concern.

For completeness, we note that BDO Audit Pty Ltd's report on Donaco's half-year financial report drew attention to the going concern disclosure note but BDO Audit Pty Ltd's conclusion was not modified in respect of this matter.

BDOCF has not performed any audit or review of any type on the historical financial information of Donaco and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

5.7.1 Statements of profit or loss and other comprehensive income

Table 5.9 summarises the Consolidated Statement of Profit or Loss and Other Comprehensive Income of Donaco for the 12-month periods ended 30 June 2022, 2023, and 2024 as well as for the 6-month period ended 31 December 2024.

Table 5.9: **Donaco's** Consolidated Statement of Profit or Loss and Other Comprehensive Income

AUD	Ref	12 Months Ended 30 June 2022 Audited	12 Months Ended 30 June 2023 Audited	12 Months Ended 30 June 2024 Audited	6 Months Ended 31 December 2024 Reviewed
Revenue from continuing operations	A	2,437,085	24,327,480	41,611,430	21,831,906
Other income	B	-	-	4,102,847	-
Net foreign exchange gain		-	-	-	332,169
Total income		2,437,085	24,327,480	45,714,277	22,164,075
Expenses					
Food and beverages		(252,365)	(947,287)	(1,280,362)	(709,775)
Gaming taxes	C	(76,173)	(2,353,142)	(2,080,319)	(1,125,547)
Employee benefits expense		(3,188,848)	(6,739,423)	(8,679,316)	(4,653,298)
Depreciation and amortisation expense		(8,358,521)	(7,331,105)	(6,535,293)	(2,974,254)
Impairment expense	D	(736,637)	(26,739,077)	19,818,670	-
Legal and compliance		(633,915)	(586,330)	(785,452)	(309,297)

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AUD	Ref	12 Months Ended 30 June 2022 Audited	12 Months Ended 30 June 2023 Audited	12 Months Ended 30 June 2024 Audited	6 Months Ended 31 December 2024 Reviewed
Marketing and promotions		(31,206)	(975,121)	(650,163)	(310,788)
Professional and consultants		(328,930)	(546,815)	(580,115)	(257,724)
Property costs		(1,185,798)	(1,960,583)	(2,808,432)	(1,411,867)
Telecommunications and hosting		(114,048)	(119,977)	(71,258)	(21,893)
Gaming costs		(118,204)	(975,759)	(694,453)	(772,193)
Administrative expenses		(1,022,654)	(1,761,257)	(1,554,926)	(715,616)
Net loss on foreign exchange		(1,391,201)	(300,208)	(444,083)	-
Travel and other expenses		-	-	-	(125,652)
Other expenses		(15,137)	(105,444)	(229,291)	-
Taxation fines and penalties	E	-	(8,958,403)	(129,466)	-
Finance costs	F	(1,666,579)	(2,361,955)	(1,690,359)	(891,524)
Earnings/(loss) before income tax expense from continuing operations		(16,683,131)	(38,434,406)	37,319,659	7,884,647
Income tax benefit/(expense)	G	16,759	19,205	965,145	60,398
Earnings/(loss) after income tax expense from continuing operations		(16,666,372)	(38,415,201)	38,284,804	7,945,045
Other comprehensive income					
Foreign currency translation		7,824,283	5,188,214	(5,747,513)	17,641,902
Total comprehensive (loss) for the year		(8,842,089)	(33,226,987)	32,537,291	25,586,947
Profit/(Loss) for the year is attributable to:					
Non-controlling interest		(174,744)	(1,665,482)	1,222,449	175,902
Owners of Donaco International Limited		(16,491,628)	(36,749,719)	37,062,355	7,769,143

Source: Donaco's FY22, FY23 and FY24 Annual Reports and 31 December 2024 Half-Year Report.

Notes to Table 5.9

A

- As discussed in Section 5.3 above, Donaco's operations were severely impacted by the COVID-19 pandemic. The Star Vegas was closed from 27 April 2021 to 18 June 2022 to comply with measures put in place by the Cambodian government for the temporary closure of all casinos in the Banteay Meanchay region while the Aristo was open on a limited basis only.
- In FY23, total revenue from continuing operations has regard to the following:
  - The Star Vegas recorded net gaming revenue of A$18.2 million (with an average of 1,006 visitors per day) and non-gaming revenue of A$1.7 million; and
  - The Aristo recorded net gaming revenue of A$2.8 million (with an average of 96 visitors per day) and non-gaming revenue of $1.6 million.
- In FY24, total revenue from continuing operations has regard to the following:
  - The Star Vegas recorded net gaming revenue of A$23.6 million (with an average of 918 visitors per day) and non-gaming revenue of A$2.1 million; and
  - The Aristo recorded net gaming revenue of A$9.6 million (with an average of 259 visitors per day) and non-gaming revenue of $4.2 million.
- For the 6-months period ended 31 December 2024, the Star Vegas recorded A$14.1 million of net revenue (compared to A$13.4 million for the comparable period ended 31 December 2023) and an average of 949 daily visitors. The Aristo recorded net revenue of A$7.8 million (A$6.1 million in the comparable period).

B

- In FY24, Donaco recorded A$4.1 million of one-off, non-recurring 'other income' comprising:
  - A$1.8 million in relation to the reversal of an accrued penalty and interest on lump sum tax and indirect taxes;
  - A$1.0 million in relation to a slot management system fee reduction, representing a one-off gain arising from the renegotiation of contractual terms, whereby Donaco was released from a portion of its future payment obligations; and
  - A$1.3 million in relation to a lease suspension agreement signed on 1 March 2024 with Lee Hoe Property Co. Ltd in relation to the Star Vegas site. Under this agreement, the landlord (Lee Hoe Property Co. Ltd) agreed to waive rent payable from April 2020 to December 2023 totalling A$1.3 million. This resulted in a reduction in accrued expenses and was recorded as one-off income.

C

- For the half-year ended 31 December 2023, a gaming tax of A$1.1 million relating to Star Vegas was incorrectly reported as an income tax expense instead of as gaming taxes.

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B

- To align previous years with the updated accounting treatment, we have separated gaming taxes from the consolidated group's income tax expense.
- In FY22, Star Vegas did not make monthly gaming duty payments due to its limited operations. Instead, an accrual of A$439,735 was recorded as at 30 June 2022 and included Donaco's income tax payable balance of A$1.48 million. This resulted in a lower reported gaming tax expense in FY22 compared to FY23.
- In FY23, approximately A$0.6 million of gaming taxes included an expense relating to floating chips, based on the Vietnamese GDT's assessment of floating chip movements in FY22.

D

- In FY22, Donaco recognised a loss of A$0.7 million in relation to the impairment of receivables.
- In FY23, Donaco recognised an impairment expense of A$26.7 million in relation to:
  - Aristo: A$22.2 million total impairment expense resulting from impairment indicators including worse than expected economic performance and increase in market interest rates. This resulted in the complete write-off of goodwill (A$2.2 million) and allocation of the remaining impairment loss of the Aristo against leasehold buildings and structures (A$18.2 million), machinery and equipment (A$1.5 million against) and other small asset categories (A$0.3 million);
  - Star Vegas: A$4.5 million total impairment expense recognised against the Star Vegas' casino license.
- In FY24, Donaco reversed all the impairment expense recognised in FY23 against the Aristo's assets (A$19.8 million) except for goodwill which remains fully impaired.

E

- As detailed in Section 5.2.1 above, Donaco recognised a A$9.0 million expense in relation to a taxation dispute with the Vietnamese GDT regarding the requirement for Donaco to pay tax collections and penalties primarily associated with the Vietnamese GDT's determination of tax payable for floating chips.
- An additional A$0.6 million as income tax payable was also recognised in the Company's FY23 financial statements.

F

- In FY23, Donaco recognised finance costs of A$2.4 million, comprising:
  - A$1.2 million interest on lease liabilities; and
  - A$1.2 million interest on borrowings.
- In FY24, Donaco recognised finance costs of A$1.7 million, comprising:
  - A$0.6 million interest on lease liabilities; and
  - A$1.1 million interest on borrowings.
- In FY23, Donaco had recognised a remeasured lease liabilities following the resumption of operations at Star Vegas, resulting in an increase in the lease liability balance (refer to Table 5.10 below) and a corresponding higher interest expense. This remeasurement was consistent with the amended perpetual lease agreement executed in 2020. An increased interest expense was not apparent in FY22 due to the suspension of lease payments and interest accruals due to the limited operations of the casinos due to COVID-19.
- In FY24, interest on lease liabilities decreased to A$0.6 million, attributable to a modified lease agreement signed March 2024 to the perpetual lease, which included:
  - A lease waiver of A$1.3 million (refer to Note B above), which decreased the carrying value of the lease liability;
  - An adjustment to exclude 10% VAT from future lease payments, reducing the lease liability base; and
  - Revised lease payment terms under a new agreement and an updated discount rate of 8.0% (up from 6.53%), which affected the lease liability's amortisation and interest profile.

G

- Across FY22 and FY23, Donaco had a loss before income tax and tax expense.
- In FY24, prior tax losses not brought to account (A$3.67 million), tax-effect amounts not deductible in calculating taxable income (A$2.86 million), the impact of the lower statutory corporate tax rate in Vietnam and Cambodia (20%) compared to Australia's 25% rate (A$2.84 million), and a tax benefit from the adjustment of a prior year over-provision (A$0.91 million), collectively reduced the income tax expense from A$9.3 million to a tax benefit of A$0.96 million.

5.7.2 Statements of financial position

Table 5.10 summarises Donaco's Statements of Financial Position as at 30 June 2022, 2023, and 2024 as well as at 31 December 2024.

Table 5.10: Donaco's Summarised Consolidated Statements of Financial Position

AUD	Ref	As at 30 June 2022 Audited	As at 30 June 2023 Audited	As at 30 June 2024 Audited	As at 31 December 2024 Reviewed
Current assets					
Cash and cash equivalents	A	6,092,656	16,723,912	29,299,453	36,260,185
Trade and other receivables		318,349	133,718	297,362	399,195
Inventories		700,217	613,028	967,519	837,856

AUD	Ref	As at 30 June 2022 Audited	As at 30 June 2023 Audited	As at 30 June 2024 Audited	As at 31 December 2024 Reviewed
Other current assets		314,157	406,575	650,021	638,856
Total current assets		7,425,379	17,877,233	31,214,355	38,136,092
Non-current assets					
Property, plant and equipment	B	139,461,639	117,723,950	127,224,269	137,107,036
Right-of-use assets	C	30,946,391	31,138,085	27,362,996	31,171,402
Intangibles (including licences)	D	20,094,128	13,813,889	13,666,701	14,988,576
Construction in progress		493,307	350,757	516,448	551,426
Deferred tax assets	E	48,815	69,478	113,657	132,331
Other non-current assets	F	758,439	782,863	756,569	1,875,307
Total non-current assets		191,802,719	163,879,022	169,640,640	185,826,078
Total assets		199,228,098	181,756,255	200,854,995	223,962,170
Liabilities					
Current liabilities					
Trade and other payables	G	18,224,865	31,700,850	23,489,414	25,216,357
Lease liabilities	C	-	3,802	16,449	18,319
Borrowings	H	16,939,518	18,325,650	15,917,640	11,008,276
Income tax payable		1,488,914	1,735,719	773,159	818,775
Employee benefits		96,344	168,891	151,335	173,703
Total current liabilities		36,749,641	51,934,912	40,347,997	37,235,430
Non-current liabilities					
Trade and other payables - non-current		10,842	21,038	23,830	40,667
Lease liabilities - non-current	C	8,575,146	9,134,823	7,280,395	7,896,353
Total non-current liabilities		8,585,988	9,155,861	7,304,225	7,937,020
Total liabilities	I	45,335,629	61,090,773	47,652,222	45,172,450
Net assets	J	153,892,469	120,665,482	153,202,773	178,789,720
Equity					
Issued capital		372,584,126	372,584,126	372,584,126	372,584,126
Reserves		41,146,061	46,334,275	37,217,508	54,859,410
Accumulated losses		(261,464,559)	(298,214,278)	(257,782,669)	(250,013,526)
Non-controlling interest		1,626,841	(38,641)	1,183,808	1,359,710
Total equity		153,892,469	120,665,482	153,202,773	178,789,720

Source: Donaco's FY22, FY23 and FY24 Annual Reports and 31 December 2024 Half-Year Report.

Notes to Table 5.10

A

- Cash and cash equivalents has increased significantly from 30 June 2022 (A$6.1 million) to 31 December 2024 (A$36.3 million). To ascertain Donaco's most recent cash position, Management have provided the Company's cash position as at 28 February 2025 (A$39.0 million).
- As at 28 February 2025, we understand that the A$39.0 million comprised of:
  - A$22.3 million was cash in hand at the Star Vegas;
  - A$15.3 million at the Aristo; and
  - A$1.4 million held as cash in hand at the head corporate entity level.
- Management have advised that, of the Company's total cash and cash equivalents:
  - Approximately A$1.0 million is held for the estimated costs relating to the Proposed Transaction;
  - Approximately A$3.2 million is required to repay the shareholder loan, with the next expected repayment during the second half of FY25;
  - Approximately A$0.8 million is held as a corporate operational reserve;
  - Approximately A$8.8 million held for the outstanding tax penalties in relation to the ongoing tax dispute with the Vietnamese GDT (refer to Section 5.2.1);

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- Approximately A$8.0 million is required to be held as a reserve for the Star Vegas operation, comprising of;
  - Approximately A$4.0 million required to satisfy the Star Vegas registered share capital requirement. We note that 10% of Star Vegas' registered share capital (approximately US$25 million) is required to be held in cash, which equates to approximately US$2.5 million or approximately A$4.0 million at the Reserve Bank of Australia's February 2025 exchange spot rate of approximately A$1.61/US$1;
  - A$0.1 million to cover outstanding floating chips; and
  - Management has advised that the residual balance of the reserve is held to cover operating expenses related to slot machines and table games.
- Approximately A$11.3 million is required to be held as a reserve for the Aristo operation, comprising of;
  - Approximately A$6.3 million held for outstanding floating chips; and
  - Management has advised that the residual balance of the reserve is held to cover operating expenses related to slot machines and table games.
- Approximately A$5.8 million in cash and cash equivalents held by Donaco to address any uncertainties that may arise, in addition to the cash held for the requirements detailed above.

- Management has advised that it is exploring strategies to generate internal funding to meet ongoing minimum capital requirements under Cambodian casino licensing regulations. Refer to Section 5.2.2 for further details.

B

- In FY23, Donaco recognised an impairment expense of A$19.6 million against the Aristo's property, plant and equipment resulting from impairment indicators including worse than expected economic performance and an increase in market interest rates. The reduction in property, plant and equipment net book value was primarily recorded against leasehold buildings and structures (A$18.2 million), machinery and equipment (A$1.5 million against).
- In FY24, Donaco reversed all the impairment expense recognised in FY23 against the Aristo's assets (A$19.6 million). The increase in the net book value of property, plant and equipment was partially offset by a reduction in right-of-use assets (A$2.0 million) resulting from a lease modification under which future lease payments were reduced due to the exclusion of 10% VAT and a reduction in net book value due to exchange rate differences (A$6.2 million) driven by appreciation of the Thai Baht relative to the Australian Dollar.
- We note that as at 31 December 2024, Donaco had a right-of-use asset of A$34.6 million at cost (net of accumulated depreciation of A$3.5 million). Refer to the additional details in relation to the leases for the Star Vegas and the Aristo in Note F.
- Management has confirmed there is no specific capital reinvestment requirement for Aristo to maintain its 5-star hotel rating. The certificate was renewed in 2022 and remains valid until 2027, subject to compliance with criteria set by the Vietnamese government.
- Management budgets 5% of total revenue for future capital expenditure at Aristo and has confirmed there is no strategic asset management plan in place.
- Star Vegas has minimal ongoing and future capital expenditure requirements, with spending limited to general repairs and maintenance. Management has also confirmed there is no strategic asset management plan for the Star Vegas.

C

- As detailed in Section 5.2.2 above, as part of the Settlement Agreements for the resolution of the legal dispute between Lee Hoe Property Co. Ltd, the landlord of the Star Vegas, an amended perpetual lease agreement was executed as of 2 March 2020 which grants Donaco security of tenure over the Star Vegas casino until 15 June 2115. The lease is in relation to land of approximately 232,189 square meters located in Poipet, Cambodia. This follows an additional lease payment of US$20 million (approximately A$30.2 million as at 30 June 2024) to Lee Hoe Property Co. Ltd. The monthly lease payments are US$20k for the first 5 years from the effective settlement date, US$30k per month starting on the 6th year to the end of the 10th year and from the 11th year onwards increase by 3% every three years.
- In accordance with the A$30.2 million payment made by Donaco as part of the legal dispute, this amount has been included in the right-of-use asset and accounts for the discrepancy between the lease liability and the right-of-use asset.
- For the first five financial years commencing 1 July 2020, the lease includes an entitlement to share 25% of the Star Vegas' business EBITDA excess of US$16 million for that financial year. Based on Donaco's forecast for the remainder of FY25, Star Vegas' EBITDA is not expected to exceed the US$16 million threshold. Accordingly, Lee Hoe Property Co. Ltd is unlikely to be entitled to any share of Star Vegas' EBITDA under the terms of this clause.
- A new land lease agreement was signed in March 2024 resulting in a lease modification. Under this lease agreement, the monthly lease payments due from 1 January 2024 to the end of the lease term (30 June 2065) are inclusive of all applicable taxes and are subject to a 10% VAT which Donaco is entitled to claim from tax authorities.
- Under the amended lease agreement, the lease is for a period of 50 years, with an automatic renewal of a further 50 years triggered at the end of the current lease term (30 June 2025). Although the amended lease agreement stipulates that the lease will automatically renew for an additional 50 years, this renewal has not been included in the lease liability or right-of-use asset, as Management has advised that it is uncertain that the lease will be renewed. Accordingly, the lease liability is calculated over the remaining 40.5 years (as at 31 December 2024).
- The Lao Cai International Hotel Joint Venture Company Limited has an operating lease commitment over a 50-year term in respect of its premises in Lao Cai, Vietnam. The lease commenced on 8 April 2011 and the remaining lease term as at 30 June 2024 is approximately 37 years.

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D

- Intangible assets (including licences) include three sub-categories of assets: goodwill, land right and casino license.
- The casino license asset relates to Donaco's license to operate the Star Vegas casino which the Company acquired on 1 July 2015. As at 31 December 2024, the accounting cost of the license is approximately A$478.4 million. However A$463.4 million of impairment charges have been recognised on the casino license resulting in a net book value of A$14.9 million. Impairment of the casino license started in 2018 with a one-time A$143.9 million impairment charge resulting from Donaco's legal dispute with the Thai Vendors detailed in Section 5.2.2 above. The license was renewed on 19 August 2022 and will expire on 31 December 2026 but has been assessed by the Directors as to have an indefinite useful life on the basis that the license is renewable indefinitely, subject to Donaco continuing to meet all necessary requirements for renewal.
- Goodwill relates to Donaco's Lao Cai International Hotel Joint Venture through which the Company engages in its casino and hotel operations at the Aristo. As at 31 December 2024, the accounting cost of the goodwill was A$2.4 million but was fully impaired in FY22 resulting from impairment indicators including worse than expected economic performance and increase in market interest rates.
- For completeness, land right relates to a 30-year land use right in Vietnam but is individually immaterial on a cost basis.

E

- For completeness, we note that as at 30 June 2024, the tax effect of any carried forward tax losses not brought to account totalled A$0.6 million. These tax losses arose from unused tax losses held within Donaco International Ltd, Donaco Holdings Sdn Bhd, Donaco Holdings (HK) Pte Ltd, and Lao Cai International Hotel Joint Venture Company, with the tax effect calculated based on each entity's applicable tax rate.
- These carried forward tax losses have not been recognised as deferred tax assets as at 31 December 2024, consistent with Donaco's accounting policy, as management does not currently consider it probable that sufficient future taxable profits will be available to utilise these losses.

F

- As at 30 June 2024, the Company's other non-current assets totalled approximately A$0.8 million, comprising almost entirely of a security deposit paid to the CGMC. This deposit was made in accordance with the minimum capital requirements referred to in Section 5.2.2, which mandate that Donaco must deposit 5% of the required Phase 1 minimum capital amount of approximately US$12.5 million with the local gaming authority. This deposit was made in FY22, being the first year of implementation under the five-phased minimum capital requirement legislation.
- As at 31 December 2024, Donaco's other non-current assets increased to approximately A$1.9 million, attributable to the payment of a second 5% security deposit to the CGMC, in line with the increased minimum capital requirement under Phase 2, which raised the threshold to approximately US$25 million.

G

- As at 31 December 2024, the trade and other payables is primarily comprised of:
  - A$4.4 million trade payables;
  - A$6.1 million of floating chips;
  - A$3.3 million interest payable;
  - A$8.3 million of taxation fine and penalty; and
  - A$3.1 million in other payables and accrued expenses.
- The floating chips balance is based on the number of floating chips determined as the difference between the number of chips in use and the actual chips counted by the casino at any reporting date.
- Taxation fines and penalty relate to the on-going dispute in relation to Donaco's Aristo operations in Vietnam. Further details regarding the dispute are provided in section 5.2.1.

H

- At 31 December 2024, borrowings relate to an unsecured loan facility signed in July 2021 with Mr Lee Bug Huy, Donaco's current CEO and executive director, for a loan of US$7.8 million. An additional loan facility agreement was entered into on 2 May 2022 for an additional US$5.0 million. Under an annex to the original loan facility agreement that was entered into on 20 September 2023, the original loan facility is due to be repaid by 22 July 2027, six years from the first drawdown, as extended from the original repayment due date of 22 July 2024 while the additional loan facility is due to be repaid by 13 May 2026, four years from the first draw down.
- Both loan facilities are subject to an interest rate of 6% per annum.
- The lender may at any time require early repayment with a minimum of one month's prior notice. The lender has provided Donaco with a letter of financial support to Donaco which states that he will not withdraw or call upon the loan should it affect any creditors of Donaco and its subsidiary in a detrimental way. This financial support is provided for a period of 24 months from the date of issue of the 31 December 2024 financial statements.
- As at 31 December 2024, the total borrowing facilities provided by Mr Lee Bug Huy amount to A$20.6 million, of which only A$11.0 million has been drawn and A$9.6 million remains unused.

I

- If Donaco's ongoing appeal against the Vietnamese GDT's decision on their tax treatment of floating chips is unsuccessful, Donaco has contingent liabilities in respect of the increased tax and interest on late payment that would arise if the floating chip movement were to be treated as taxable revenue. For further details, please refer to Section 5.2.1.
- At 31 December 2024, Donaco's half-year report includes a contingent liability which is disclosed in note 10 to the financial statements. As detailed in Section 5.2.1, the contingent liability of A$1.9 million includes A$1.8 million in

interest on late payment with the remainder balance as VAT and special sale tax. For the avoidance of doubt, as this is a contingent liability, this is not reflected in the financial statements.

J

- At 30 June 2024, Donaco reported net assets of A$153.2 million, an increase from A$120.7 million as at 30 June 2023. This balance is primarily driven by the Company's non-current asset base, which includes:
  - Property, plant and equipment of A$154.6 million, mainly relating to the Star Vegas and Aristo; and
  - Intangible assets of A$13.7 million, largely comprising casino licences.
- As at 31 December 2024, net current assets were approximately $0.8 million, reflecting Donaco's short-term liquidity position at a consolidated level. This contrasts with the high net assets position and indicates that Donaco's capital structure is asset-heavy, with the Company's financial position supported by long-term assets rather than surplus liquid funds, thereby limiting Donaco's financial flexibility.

5.7.3 Statements of cash flows

Table 5.11 summarises Donaco's Statement of Cash Flows for the 12-month periods ended 30 June 2022, 2023, and 2024 as well as for the 6-month period ended 31 December 2024.

Table 5.11: Donaco's summarised consolidated statements of cash flows

AUD	Ref	12 Months Ended 30 June 2022 Audited	12 Months Ended 30 June 2023 Audited (Restated)	12 Months Ended 30 June 2024 Audited	6 Months Ended 31 December 2024 Reviewed
Cash flow from operating activities					
Receipts from customers	A	2,726,753	28,138,036	46,837,853	25,563,208
Payments to suppliers and employees	B	(8,091,736)	(14,757,603)	(23,884,246)	(9,429,934)
Interest received		965	391	1,052	28,980
Interest and other finance costs paid		(346,883)	(50,377)	(172,486)	(165,175)
Government levies, gaming taxes, income taxes and GST	C	(51)	(3,745,817)	(7,751,760)	(4,381,270)
Net cash flows from / (used in) operating activities		(5,710,952)	9,584,630	15,030,413	11,615,809
Cash flow from investing activities					
Payments for property, plant and equipment		(1,889)	(134,118)	(331,509)	(752,069)
Proceeds from disposal of property, plant and equipment		-	25,676	-	(14,362)
Net cash flows from investing activities		(1,889)	(108,442)	(331,509)	(766,431)
Cash flow from financing activities					
Proceeds from borrowings	D	14,369,667	6,482,025	1,029,578	-
Repayment of borrowings	D	(9,734,849)	(5,760,396)	(3,479,302)	(5,589,960)
Payments for principal elements of lease		-	-	(7,716)	(4,348)
Net cash flows from financing activities		4,634,818	721,629	(2,457,440)	(5,594,308)
Net decrease in cash and cash equivalents		(1,078,023)	10,197,817	12,241,464	5,255,070
Cash and cash equivalents, beginning of the financial year		6,316,530	6,092,656	16,723,912	29,299,453
Effects of exchange rate changes on cash and cash equivalents		854,149	433,439	334,077	1,705,662
Cash and cash equivalents at the end of the financial year		6,092,656	16,723,912	29,299,453	36,260,185

Source: Donaco's FY22, FY23 and FY24 Annual Reports and 31 December 2024 Half-Year Report.

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Notes to Table 5.11

A	▸ As discussed in the notes to Table 5.9 above, Donaco's operations were severely impacted by the COVID-19 pandemic in FY22. ▸ From FY23 onwards, the Company's total revenue has been steadily increasing as well as cash receipts, largely driven by a progressive return to steady state average daily visitors which has in turn increased gaming revenue.
B	▸ Management has confirmed that payments to suppliers and employees in the first half of FY25 are lower than expected, due to the impact of the non-recurring other income items disclosed in Note C to the Consolidated Statement of Profit or Loss and Other Comprehensive Income above.
C	▸ Since experiencing operational disruptions and minimal gaming revenue in FY22, Donaco has progressively returned to normalised trading conditions. As a result, government levies, gaming taxes, income taxes, and GST payable have increased in line with improved financial performance. ▸ In the FY24 annual report, management confirmed that government levies, gaming taxes, income taxes, and GST were understated by A$5.3 million due to the use of the last quarter of FY24's figure rather than the annualised amount. As a result, this A$5.3 million was incorrectly included within payments to suppliers and employees. This has now been correctly presented above.
D	▸ In FY22, approximately A$14.4 million was borrowed from Mr Lee Bug Huy, as detailed in the notes to Table 5.10 above. ▸ In FY23, repayment of borrowings related to a facility with the Joint Stock Commercial Ocean bank (A$1.5 million) which was fully repaid as well as a smaller individually immaterial amount owed to the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank). The remainder of the repayment balance relates to the shareholder facility provided by Mr Lee Bug Huy to Donaco, of which an additional A$6.5 million was redrawn during the period. ▸ Similarly, in FY24 and for the 6 months period ended 31 December 2024, both proceeds from borrowing and repayment of borrowings relate to the shareholder loan provided by Mr Lee Bug Huy.

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6.0 Industry Overview

Donaco is listed on the ASX and is categorised under the Global Industry Classification Standard ('GICS') industry group classification *Consumer Services* and, specifically, under the *Hotels, Restaurants & Leisure* industry and the *Casinos & Gaming* sub-industry.[21] Donaco was founded and registered in Australia and currently derives revenue from its operations at the Aristo and Star Vegas casinos, located in Vietnam and Cambodia, respectively.

GICS defines *Casinos and Gaming* as owners and operators of casinos and gaming facilities and resorts. This includes companies providing lottery and betting services, operators of online casino gaming and betting websites, companies that offer software for online casino gaming and betting websites, and manufacturers of casino gaming equipment.

As noted in Section 5, Donaco's business model currently focuses on the operations of its two casinos, Aristo and Star Vegas. For this reason, our industry overview covers the casino and gambling industry broadly in Southeast Asia (refer to Section 6.1), as well as the casino and gambling industries in Vietnam (refer to Section 6.2) and Cambodia (refer to Section 6.3) specifically. As Donaco is currently listed on the ASX, we have also included an overview of the Australian casino industry (refer to section 6.4).

The information presented in this section has been compiled from a range of publicly available sources, together with information taken from various databases to which we subscribe. BDOCF has not independently verified any of the information and we recommend that users of this Report refer to the original source of any information listed in this section. This section should be referred to as a guide only.

6.1 Southeast Asia Overview

6.1.1 Southeast Asia Market

In several Southeast Asian countries, gambling is prohibited or heavily restricted for local citizens:

- Thailand: gambling is largely banned, with exceptions for state-controlled horse racing, the lottery, and some sports betting.[22]
- Cambodia: the 1996 Law on Suppression of Gambling prohibits all forms of gambling for Cambodian citizens.
- Indonesia: gambling is illegal nationwide and has been banned since 1993.[23]
- Vietnam: gambling is illegal for Vietnamese citizens, with strict prohibitions in place.
- Malaysia: The Common Gaming Houses Act 1953 declares all common gaming houses illegal, effectively banning most forms of gambling.[24]

These prohibitions are often rooted in cultural, religious, and social considerations, aiming to prevent potential negative impacts associated with gambling.

Despite these restrictions, a growing middle class with rising disposable income is also driving demand in Southeast Asia for leisure, entertainment, travel, and gambling.[25] As a result, both online and offline casino markets in the region are projected to expand, with industry revenue expected to reach USD 8.17 billion in 2025 and grow at an annual rate of 5.13% to USD$9.98 billion by 2029.[26] More broadly, the Asia-Pacific region is forecast to be the fastest-growing global casino market, with a compound annual growth rate (CAGR) of 12.3% from 2025 to 2033; nearly double the global market's projected CAGR of 6.47%.[27]

6.1.2 Drivers, Risks and Analysis

A key market driver for gambling in Southeast Asia is the region's expanding middle class and rising disposable income, which is supporting growth in premium entertainment experiences, including casino tourism. Economic growth and urbanisation across China, India, and Southeast Asia have increased the propensity for the middle class to travel and spend on luxury activities, particularly at casino resorts.[25]

Government policy and tourism promotion are key drivers in the growth of casino tourism across the region. Countries are recognising the economic benefits of casino developments, such as job creation, increased tax revenue, and improved infrastructure. For instance, as detailed in Section 5.2.2, the Thai Cabinet approved a proposal in March 2025 to legalise casinos within integrated entertainment complexes, aiming to attract international tourists, curb illegal gambling, and generate additional state revenue.[28,22] Similarly, Japan has recently legalised casino gambling and is developing integrated resorts as part of a broader strategy to enhance tourism and stimulate economic growth. These targeted initiatives reflect a wider regional trend of diversifying tourism offerings to include casino gaming, helping attract a broader range of visitors while reducing reliance on traditional tourism markets.[25]

[21] MSCI: https://www.msci.com/indexes/documents/methodology/1_MSCI_Global_Industry_Classification_Standard_GICS_Methodology_20240801.pdf
[22] Reuters: https://www.reuters.com/world/asia-pacific/thai-cabinet-approves-draft-law-casinos-with-limits-local-gamblers-2025-03-27/
[23] ABC: https://www.abc.net.au/asia/indonesia-has-a-huge-online-gambling-problem/104179856
[24] Common LII - Malaysian Legislation: http://www.commonlii.org/my/legis/consol_act/cgha19531983289/
[25] Credence Research: https://www.credenceresearch.com/report/asia-pacific-casino-tourism-market
[26] Statista: https://www.statista.com/outlook/amo/gambling/casinos-casino-games/southeast-asia
[27] Market Data Forecast: https://www.marketdataforecast.com/market-reports/casino-market
[28] Tilleke & Gibbins: https://www.tilleke.com/insights/thailands-cabinet-approves-principles-of-the-draft-entertainment-complex-act/94/

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While the legalisation of gambling offers financial and economic benefits, it also brings heightened regulatory and operational risks that warrant consideration.

Southeast Asia's casino sector faces growing legal challenges, driven by the decline of traditional junket operators and the emergence of sophisticated illegal online gambling networks. Crackdowns in Macau between 2019 and 2023 led to the collapse of major junket operators; once central to the region's Very important person ('VIP') gaming market, prompting a shift in criminal activity toward underregulated land-based casinos and online platforms in Southeast Asia. These platforms have become key vehicles for money laundering, underground banking, and cyber-enabled fraud, often operating out of Special Economic Zones with limited oversight.[29,30,31]

The weakening of the junket model, coupled with the rise of decentralised online operations, has blurred the line between legitimate and illicit gaming activity. In response, governments across the region are re-evaluating their gambling frameworks, with many moving toward legalisation and stricter regulation to formalise oversight, protect financial integrity, and curb the spread of illicit gambling activities.[32]

6.2 Vietnam Overview

6.2.1 Market Size

In March 2024, Vietnam's Minister of Finance confirmed that nine licensed casinos were operating, with two projects approved and another applying for approval.[33] These include smaller casinos in Hai Phong, Quang Ninh, Lao Cai (being the Aristo), and Da Nang provinces, and three major casinos in Hoi An (Quang Nam Province), Ho Tram (Ba Ria - Vung Tau Province), and Phu Quoc (Kien Giang Province).[34]

Figure 6.1 below shows the locations of the nine licensed casinos in Vietnam, including Aristo, which is marked with the red star icon.

Figure 6.1: Map of Casinos in Vietnam



Source: Google Maps

While market information on Vietnam's land-based casino market is limited, the country's overall gambling market including lottery, sports betting, and online gambling is projected to grow due to rising visitor numbers, population

[29] ProPublica: https://www.propublica.org/article/casinos-cambodia-myanmar-laos-southeast-asia-fraud-cybercrime
[30] Asian Gaming Brief: https://agbrief.com/news/macau/30/08/2023/suncity-and-tak-chun-convictions-generated-migration-of-darker-side-of-junket-operations-into-southeast-asia-un-rep/
[31] Asian Gaming Brief: https://agbrief.com/intel/deep-dive/08/10/2024/southeast-asia-faces-escalating-threat-from-illegal-online-gambling-and-cyber-fraud-un/
[32] UNODC - Casinos, Money Laundering, Underground Banking, and Transnational Organized Crime in East and Southeast Asia: A Hidden and Accelerating Threat: https://www.unodc.org/roseap/uploads/documents/Publications/2024/Casino_Underground_Banking_Report_2024.pdf
[33] Vietnamfinance Magazine Publication 18 March 2024: https://vietnamfinance.vn/bo-truong-bo-tai-chinh-tiet-lo-ve-so-luong-va-tinh-hinh-cac-casino-o-viet-nam-d108281.html
[34] The Nation Editorial: https://www.nationthailand.com/world/asean/40036480

growth, new casinos, and relaxed regulations. Regulation is considered the main hindrance to growth in Vietnam's gambling market.[35]

6.2.2 History of Gambling

Gambling has been illegal in Vietnam for centuries, and until the late 20th century, the lottery was the only legal method of gambling. In the early 21st century, the Vietnamese government began approving casino licences, but access was restricted to foreign nationals. In 2017, a key policy change legalised gambling for Vietnamese citizens in casinos. Decree No. 03/2017/ND-CP introduced a three-year trial allowing locals aged 21 or older with a monthly income over USD$461 to enter designated casinos for a USD$40 fee. However, Corona Casino in Phu Quoc was and is currently the only operational venue available to Vietnamese citizens.[36,37,38] The illegality of gambling in Vietnam makes it difficult for casino operators to attract local players, resulting in a predominantly tourist clientele.

6.2.3 Business Model

As referred to in Section 5.2.1, junket operators are third-party agents who assist casinos in attracting VIP or high-roller players, particularly from overseas. These operators organise travel, accommodation, and entertainment for the players and, in return, receive a commission based on the players' losses or turnover. Junket operators effectively act as intermediaries between casinos and players.

Vietnam's legal framework remains uncertain regarding junket operations, as they are neither explicitly permitted nor prohibited. While gambling-related activities such as organising or facilitating gambling remain criminal offenses under the Vietnamese Penal Code (2018), there is no specific regulation governing junket operators, who are not subject to licensure. Instead, contracts between junkets and casinos are negotiated on a case-by-case basis. Legislation also restricts casino advertising to licensed operators, limiting third-party junket promotion. Despite this, junkets play a crucial role in attracting foreign VIP players and for Aristo.[39]

6.2.4 Geography near Lao Cai

As mentioned in Section 6.2.1, as of March 2024, nine licensed casinos are operating. Aristo is in the Lao Cai province, in north Vietnam, bordering China's Yunnan province. Lao Cai is separated from the Chinese city of Hekou by a river, with a bridge and controlled border crossing connecting the two. As of the 2020 census, Yunnan province had a population of approximately 47.2 million, with 8.46 million residing in its capital, Kunming.[40,41] Only Hekou residents may visit Lao Cai using a border pass without a visa, all other Yunnan residents must obtain a visa. Travellers can drive from Kunming to Lao Cai via an expressway in about five hours or take a train from Kunming Station to Hekou North, an eight-minute car ride from Lao Cai, which takes approximately 7.5 hours.[42]

The Vietnamese government plans to construct a 417-kilometre high-speed railway connecting Haiphong to Kunming via Hanoi and Lao Cai, with construction expected to commence by the end of 2025 and be completed by 2030. Vietnam's Ministry of Transport is preparing a pre-feasibility report for consideration under China's Belt and Road Initiative.[43,44]

Aristo is the only casino operating in Lao Cai, with the nearest casinos located in Hanoi, Vietnam approximately 245 kilometres away.

6.2.5 Barriers to Entry

The barriers to entry of new competitors of licensed casino operators are significant. Vietnam's casino industry is governed by strict licensing and investment requirements. Since the introduction of Decree No. 03/2017/ND-CP in 2017, to establish a casino, investors must commit a minimum investment of USD 2 billion in an integrated resort that includes hotels, convention centres, and entertainment facilities. Before receiving a casino business licence, at least 50% of the total investment capital must be disbursed. The project must first obtain government approval for its investment policy, ensuring alignment with national economic and social objectives. Casinos in Vietnam must be located within government-approved integrated resorts and comply with financial reporting obligations, including regular audits, submission of financial statements, and adherence to tax regulations such as the 35% special consumption tax on gaming revenue and 20% corporate income tax.[6]

6.2.6 Key Drivers and Risks

Discretionary spending is a key driver of casinos and gambling worldwide, including in Vietnam. Southeast Asia's expanding middle class and rising disposable incomes have increased discretionary expenditure, including gambling.[45] In 2024, China's average annual per capita disposable income reached 41,300 yuan, doubling over the past decade and

[35] 6W Research Vietnam Gambling Market (2023-2029): https://www.6wresearch.com/industry-report/vietnam-gambling-market-2020-2026
[36] Vietnam Briefing: https://www.vietnam-briefing.com/news/a-brief-history-of-legalized-gambling-in-vietnam.html/
[37] Forbes.com: https://www.forbes.com/sites/muhammadcohen/2017/02/09/how-vietnam-is-changing-its-gambling-rules-to-win-foreign-investment/#5b4fc10e30e7
[38] Global Referral Network: https://globalreferral.group/complete-guide-casino-regulations-and-legal-requirements-in-vietnam-2024/
[39] Inside Asian Gaming: https://asgam.com/2023/11/16/vietnam-gaming/
[40] Wikipedia, Yunnan webpage: https://en.wikipedia.org/wiki/Yunnan#:~:text=Yunnan%20is%20an%20inland%20province,million%20(as%20of%202020).
[41] Wikipedia, Kunming webpage: https://en.wikipedia.org/wiki/Kunming
[42] Rome2Rio travel planner: https://www.rome2rio.com/map/Kunming/L%C3%A0o-Cai#r/Train/s/0
[43] Greater Mekong Subregion Secretariat - https://www.greatermekong.org/g/construction-high-speed-kunming-lao-cai-hanoi-hai-phong-railway-begin#:~:text=Events-,Construction%20of%20High%20Speed%20Kunming%2DLao%20Cai%2DHanoi%2DHai,Related%20links
[44] Xinhua: https://english.news.cn/20241223/a5ee1050d88d40c09ccfcbc6f01b70bb/c.html
[45] Statista: https://www.statista.com/outlook/amo/gambling/casinos-casino-games/southeast-asia

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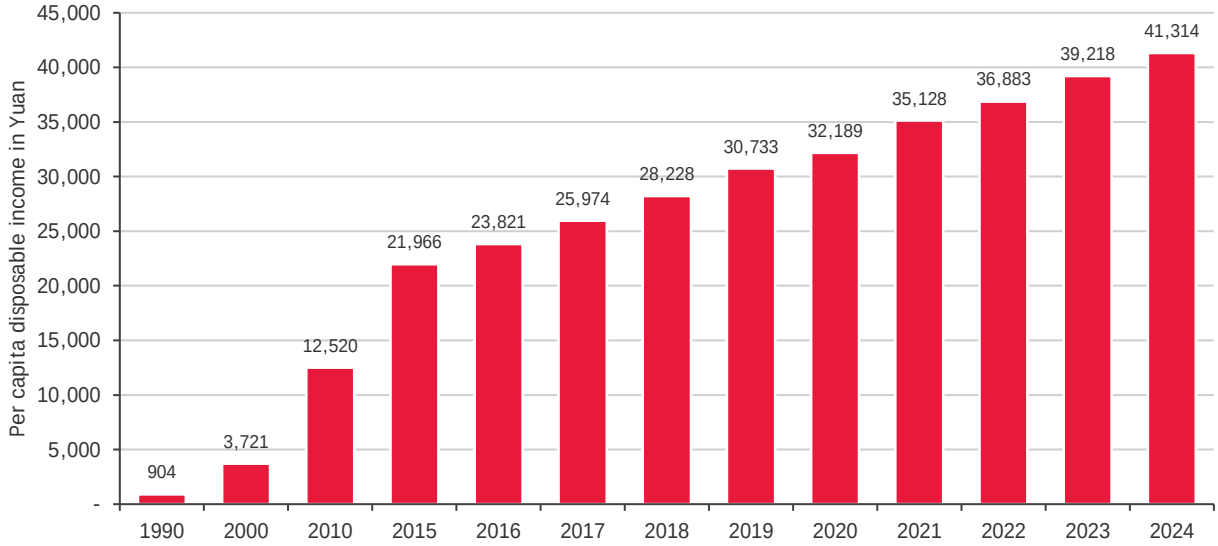
continuing to rise. This increase is shown in Figure 6.2 below. This wealth growth has increased discretionary spending, making Chinese tourists a key driver of Vietnam's casino industry, particularly at Aristo.[46]

Figure 6.2: Chinese household Annual Disposable Income per Capita in Yuan



Source: Statista.com: https://www.statista.com/statistics/278698/annual-per-capita-income-of-households-in-china/ and BDOCF Analysis

Tourist visitation is considered a key driver of the casino industry broadly in Southeast Asia and in Vietnam. In 2024, the Vietnamese General Statistics Office reported 17.6 million foreign visitors. A 39.5% increase from 2023, reaching 97.6% of the total recorded in 2019 before the COVID-19 pandemic. Asian markets remained the primary source of 2024 international visitors. South Korea led inbound tourism, contributing 4.57 million arrivals (a 27% increase from 2023), followed by China with 3.74 million arrivals, reflecting a 114.4% year-on-year increase. However, Chinese visitation remains well below 2019 levels (5.8 million arrivals) due to China's domestic policies limiting outbound travel. Thailand, a key regional tourism partner, saw 418,054 visitors to Vietnam, though this represented 85.5% of 2023 levels, while Vietnamese outbound travel to Thailand tripled to 1.03 million arrivals. Notably, Thailand's '6 Countries, 1 Destination' initiative, aimed at creating a shared visa system with Vietnam, Cambodia, Laos, Malaysia, and Myanmar, has the potential to enhance regional tourism, streamline travel procedures, and increase tourist flows from major markets such as the US, Europe, and South Asia.[47]

Vietnam's land-based casino industry faces competition from illegal online gambling operations. According to Ho Chi Minh City Police, illegal operators exploit cyberspace to organise and grow gambling activities, creating websites, social media groups, and mobile apps that offer a range of betting options, including sports betting, traditional games, and eSports wagering. Most of these platforms host their servers abroad, making enforcement difficult. Additionally, these networks often collaborate with local individuals, creating a tiered structure that allows them to operate nationwide.[48] Notably, in 2025 an illegal online sports betting operation active since 2023 generating USD$50 million was dismantled. According to investigators, the betting ring operated on an international scale, primarily focusing on football betting. The network was described as highly organised, employing advanced technological methods to execute its operations and evade detection. Even though online gambling is prohibited, the Vietnamese gambling black market is estimated to be worth USD$10.1 billion.[49]

6.2.7 Major Competitors

Macau is the only jurisdiction in the People's Republic of China where casino gaming is legal.[50] It is the world's largest gambling hub by GGR and is often referred to as the 'Las Vegas of the East'.[51] Macau's six licensed operators include both global and regional market leaders. Table 6.1 sets out these operators and their GGR for CY23.

[46] Statista: https://www.statista.com/statistics/278698/annual-per-capita-income-of-households-in-china/
[47] Vietnam News: https://vietnamnews.vn/society/1690194/viet-nam-saw-17-6-million-foreign-visitors-in-2024-almost-reaching-pre-pandemic-number.html
[48] Vietnam Net Global: https://vietnamnet.vn/en/foreigners-behind-online-gambling-operations-in-vietnam-police-report-2331622.html
[49] Next IO: https://next.io/news/betting/vietnam-police-bust-billion-dollar-illegal-betting-ops/
[50] Law Business Research: https://www.lexology.com/library/detail.aspx?g=061f5ea6-6920-4bf1-9cd9-631cc1788cf4
[51] Reuters: https://www.reuters.com/business/macau-2024-casino-revenues-top-official-estimate-below-pre-pandemic-levels-2025-01-01/

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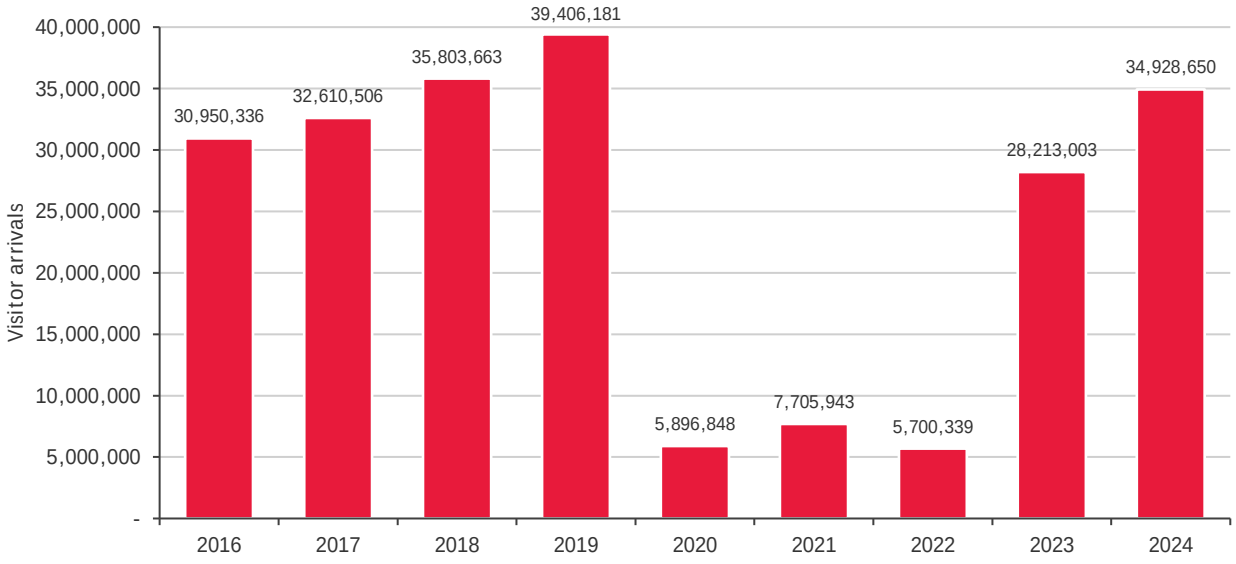
Table 6.1: Licensed Casino Operators in Macau and GGR CY23

USD' billion	GGR CY23
Sands China Ltd	4.84
Wynn Resorts Ltd	2.45
Galaxy Entertainment Group Ltd	4.06
MGM China Holdings Ltd	2.79
Melco Resorts & Entertainment Ltd	3.12
SJM Holdings Ltd	2.57

Source: Sands China Ltd, Wynn Resorts Ltd, Galaxy Entertainment Group Ltd, MGM China Holdings Ltd, Melco Resorts & Entertainment Ltd and SJM Holdings Ltd 2023 Annual Reports and BDOCF Analysis

Tourist arrivals to Macau have continued to recover post-COVID-19, reaching 88% of 2019 levels in 2024.

Figure 6.3: Macau Annual Visitor Arrivals 2016 - 2024



Source: Government of Macao Special Administrative Region- Statistics and Census Service - Tourism Statistics Reports 2016 - 2024: https://www.dsec.gov.mo/en-US/Statistic?id=401, Macau Business: https://www.macaubusiness.com/special-report-road-to-39-million/ and BDOCF Analysis

In 2023, 67.5% (or 19 million) of total visitors were from mainland China.[52] Macau remains a leading destination for both tourists and gamblers and has firmly established itself as the dominant casino market in the region.

While Macau remains the largest global casino market and is expected to retain this position, recent legislative developments are positioning Thailand as an emerging competitor in the global and Asian markets (refer to section 5.2.2 for further details). On 13 January 2025, the Thai cabinet approved the Entertainment Complex Bill, paving the way for legalised gambling as early as mid-2025. Although specific casino locations are yet to be confirmed, Bangkok, Chiang Mai, Phuket and Pattaya are considered key targets for investment. A Citigroup report released in November 2024 projects that, once fully developed, Thailand's gambling revenue could reach USD$9.1 billion, making it the third-largest market globally behind Macau and Las Vegas.[53]

6.3 Cambodia Overview

6.3.1 Market Size

Headline data on total revenue in the Cambodian casino market is limited. However, the size of the market may be estimated using tax revenue collected from gaming operators by the Cambodian government. In 2024, the CGMC collected USD$63.1 million in gaming tax revenue; an 85% increase on the previous year. Casino gaming revenue is generally taxed at around 7% (4% for VIP revenue). Assuming an average effective tax rate of 6.5%, total casino gaming revenue for 2024 is estimated at approximately USD$970 million. The CGMC also confirmed there were a total of 195 casino operating licenses in the country.[54]

6.3.2 History of Gambling

Gambling in Cambodia has deep historical roots, heavily influenced by Chinese culture and trade, with references dating back to the Angkor era in 1295 CE. Over time, gambling evolved from informal activities to state-sanctioned

[52] Macau Business: https://www.macaubusiness.com/special-report-road-to-39-million/
[53] The Business Times: https://www.businesstimes.com.sg/international/global/casino-plan-could-put-thailand-behind-only-las-vegas-and-macau
[54] Asia Gaming Brief: https://agbrief.com/news/cambodia/09/01/2025/cambodia-sees-85-percent-leap-in-gaming-tax-revenue-in-2024/

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casinos used as revenue sources, despite intermittent bans and regulatory changes under colonial, royal and modern regimes.[55] Under the 1996 Law on Suppression of Gambling, all forms of gambling are currently illegal for Cambodian citizens, with licensed casinos permitted to serve only foreign nationals.

Gambling remains culturally embedded, particularly among men, where it is often associated with masculinity.[56] Consequently, illegal gambling remains widespread, frequently facilitated by corruption and, in some cases, protected by law enforcement with links to organised crime.[57]

6.3.3 Business Model

Casino operators in the Poipet region of Cambodia, including Star Vegas, primarily rely on Thai nationals for revenue, as gambling is prohibited in Thailand. Poipet is located adjacent to Aranya Prathet, a border town in northeastern Thailand, and serves as the main overland crossing between the two countries. Patrons can enter the Poipet casino zone without processing through Cambodian immigration. To return home, Thai nationals need only present a national ID card, making the border process relatively simple. Other foreign nationals travelling from Thailand to Poipet must obtain both inbound and outbound Cambodian visa stamps before re-entering Thailand.[58]

Casinos operating in Bavet, a city on Cambodia's south-eastern border approximately two hours by car from Ho Chi Minh City, follow a similar business model. As gambling is illegal in Vietnam, Bavet serves as the closest legal gambling destination for residents of Vietnam's capital. Consequently, casino operators in Bavet rely primarily on Vietnamese nationals to generate revenue.[58]

NagaWorld is Cambodia's largest casino and holds a unique position in the market through a special agreement with the Cambodian government. It has been granted a 70-year gaming licence, valid until 2065, and a casino monopoly for Phnom Penh, the nation's capital, until 2045. This monopoly prohibits the development or operation of other casinos within a 200-kilometre radius of Phnom Penh, excluding areas near the Cambodian-Vietnam border, such as Bavet and Sihanoukville. The agreement also allows NagaWorld significant operational flexibility, with no restrictions on operating hours or the number of gaming tables and machines, enabling it to adjust capacity based on market demand.[55,59]

NagaWorld derives revenue from a diversified customer base comprising mass-market, VIP, and junket VIP gaming players. Its mass-market and VIP customers are primarily expatriates from Malaysia, Greater China, and other Southeast Asian countries. Historically, a large portion of its junket VIP players were from China, supported by partnerships with leading Macau junket operators, including the now-defunct Suncity Group. However, the Chinese government's recent crackdown on junket operators aimed at addressing money laundering, organised crime, illegal gambling, and fraud has significantly impacted this segment.[60,61] This culminated in the high-profile arrests of Suncity Group's chairman, Alvin Chau, and Chan Weng Lin, chairman of Tak Chun Group (formerly Macau's second-largest junket operator), on charges including illegal gambling and money laundering.[62,63]

Casinos in Sihanoukville operated under a business model driven by Chinese investment in online gambling, attracted by Cambodia's low tax rates, affordable living costs, and improved digital infrastructure. However, this model has enabled the rise of scam operations and human trafficking, with former casino properties repurposed for illicit activities, contributing minimally to the local economy while fuelling social unrest and economic disparity.[64] In response, the Cambodian government, in coordination with Chinese authorities, formally banned online gambling in 2019 and subsequently introduced a legal framework to regulate the country's gambling sector.[64]

6.3.4 Geography

Figure 6.4 below shows a map of Cambodia pinpointing the country's border crossings where most of the key casino hubs are located, including:

- Poipet in the northwest near the Thai border;
- Phnom Penh in the south-central region as the capital and home to NagaWorld;
- Bavet in the east near the Vietnamese border; and
- Sihanoukville on the southwestern coast.

[55] Phnom Penh's NagaWorld Resort and Casino: https://www.jstor.org/stable/44874717?seq=1
[56] Victoria University of Wellington: https://openaccess.wgtn.ac.nz/articles/thesis/Life_outside_of_the_home_Interrogating_men_s_understanding_of_their_roles_in_Cambodia/17012594?file=31467593
[57] Wikipedia, Gambling in Cambodia: https://en.wikipedia.org/wiki/Gambling_in_Cambodia
[58] Inside Asian Gaming - Cambodia Rising Report October 2018: https://gmaconsulting.com/wp-content/uploads/Cambodia-Rising-1.pdf
[59] Moody's Investor Service: https://www.nagacorp.com/eng/ir/research/2019/research_191017.pdf
[60] iGaming Business: https://igamingbusiness.com/casino/property-development/brave-new-nagaworld-cambodia/
[61] Reuters : https://www.reuters.com/world/china/police-arrest-macaus-no-2-junket-boss-crackdown-media-2022-01-30/
[62] The Business Times: https://www.businesstimes.com.sg/companies-markets/macau-legends-shares-plunge-after-ceo-is-arrested-in-junket-clampdown
[63] Asian Racing Federation: https://www.asianracing.org/email/202308qb-back-to-the-future-macau-junkets-and-illegal-betting
[64] Center for Strategic & International Studies: https://www.csis.org/blogs/new-perspectives-asia/cutting-losses-southeast-asias-crackdown-online-gambling

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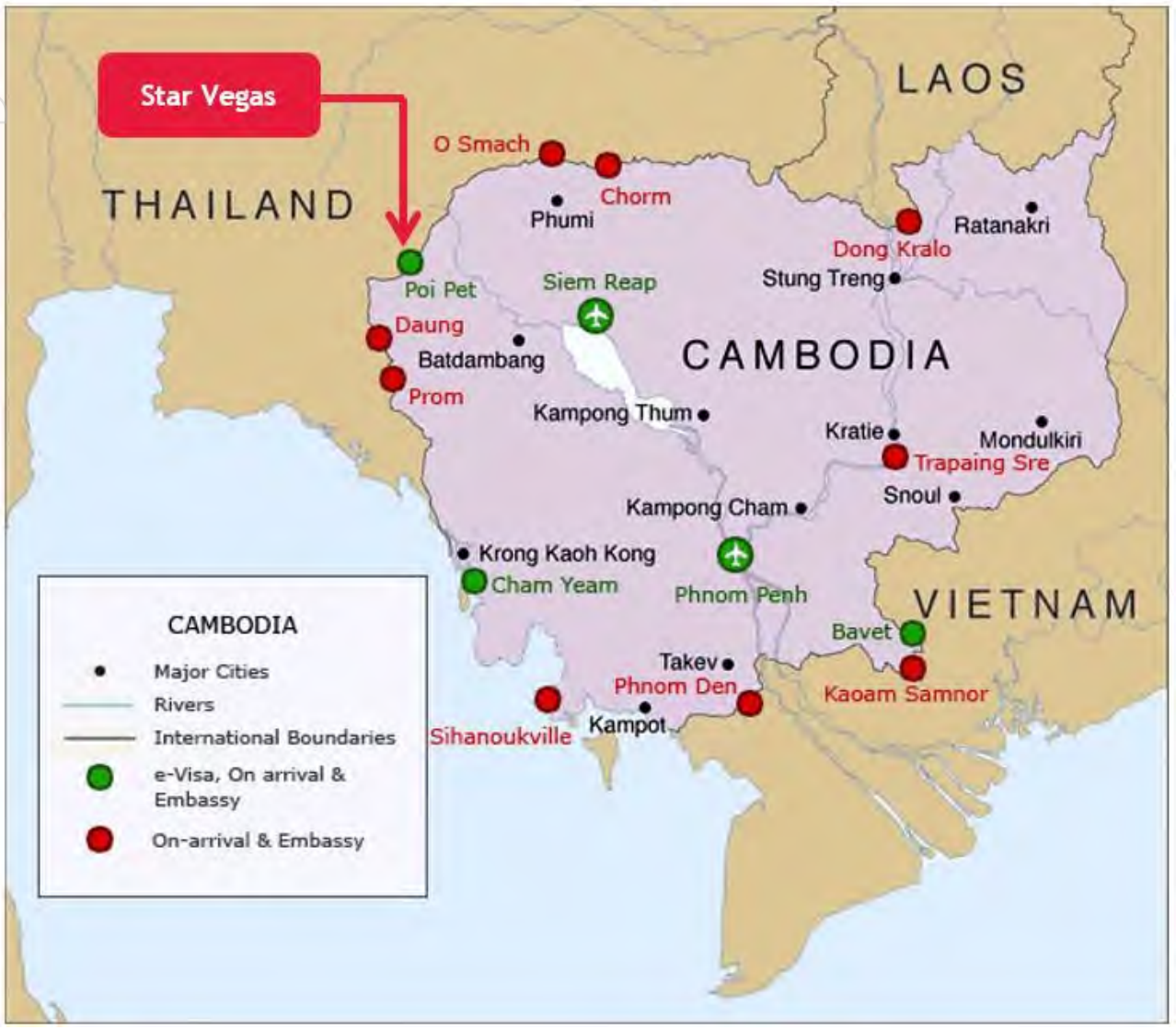
Figure 6.4: Cambodia Map with Cross Border Locations and Star Vegas location



Source: Ministry of Foreign Affairs and International Cooperation: https://www.evisa.gov.kh/

The CGMC in 2024 oversaw the licensing of 195 casinos in 2024.[54] The Cambodian Minister of Finance estimated there were 79 casinos operating in Cambodia at the end of 2017 demonstrating growth in the number of casinos operating within the country.[58] Due to the unique monopoly agreement held by NagaWorld in Phnom Penh, all other casinos are located along Cambodia's borders to cater to Vietnamese, Thai, and other foreign tourists. These border casinos are primarily concentrated in Bavet, Poipet, and the popular tourist hub of Sihanoukville.[65]

According to Casino City, there are six other casino operators in the Poipet region.[66] However, a Google search indicates there are 18 casinos operating in the area, suggesting a high level of competition to attract foreign patrons.

As outlined in Section 6.3.3, Thai nationals can enter Poipet without a visa. Cambodia offers visa-free entry to certain Association of Southeast Asian Nations nationals, ranging from 14 days (Thailand) to 30 days (Vietnam, Indonesia, Laos, Malaysia, Singapore, etc.). Most other travellers, including those from Europe, Australia and North America, can obtain a 30-day tourist visa on arrival or through the official e-Visa platform. Key entry points include international airports in Phnom Penh, Siem Reap and Sihanoukville, as well as major land crossings such as Poipet, Bavet and Koh Kong.[67,68]

6.3.5 Barriers to Entry

Although gambling is prohibited for Cambodian citizens under national law, the country's casino industry has seen growth over the past decade, including a sharp increase in both licensed and illegal gambling operations.

[65] World Casino Directory: https://news.worldcasinodirectory.com/cambodias-casino-tax-revenue-jumps-85-in-2024-to-63-1-million-116735
[66] Casino City: https://www.casinocity.com/cambodia/
[67] Guiding Cambodia Travel: https://www.guidingcambodia.com/cambodia-frequently-asking-questions/
[68] Ministry of Foreign Affairs and International Cooperation of Cambodia: https://mfaic.gov.kh/

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To improve oversight and regulatory clarity, the Cambodian Government introduced the Law on the Management of Commercial Gaming in 2020, followed by further guidance through subsequent Sub-Decrees. The key parts of the law include the following:

1. Zoning: The Law on the Management of Commercial Gambling classifies commercial gambling areas into three zones: prohibited, promoted, and favoured. In prohibited zones, certain or all forms of commercial gambling are banned to protect cultural, religious, or other societal values. Favoured zones are designated coastal provinces in Sihanouk (Sihanoukville) and Koh Kong and their adjacent islands. These are the only areas where new integrated resorts may be developed, reflecting the government's intention to focus future growth in these regions.[69,70,71]
2. Commercial Gambling Regulator: CGMC is the authority responsible for issuing all licences related to commercial gambling operations. Depending on the type of gambling activity, the CGMC may issue licences for: casino, betting, luck-based and other commercial gambling, special employees, junkets and manufacturers, installers, importers, sellers and/or distributors of equipment and/or gambling software.
3. Casino License Types: (1) casinos inside integrated resorts ('IRs') and (2) casinos located outside IRs. Prior to the enactment of the 2020 law, no IRs existed; all casino operations were stand-alone establishments. Table 6.2 below outlines the key requirements and distinctions between each licence type.

Table 6.2: Casino License Type Specifics

	License (1) - Casinos inside IRs	License (2) - Casinos outside IRs	License (3) - Existing Casinos (prior to promulgation of the Prakas)
Term	Not exceeding 20 years (subject to renewal)	Not exceeding 5 years	Not exceeding 5 years
Minimum Capital Requirement USD' million	Approx. 200	Approx. 100	Phase 1: Approx. 12.5 (Year 1) Phase 2: Approx. 25 (Year 4) Phase 3: Approx. 50 (Year 7) Phase 4: Approx. 75 (Year 11) Phase 5: Approx. 100 Year 15)
Annual License Fees USD	Approx. 100,000	Approx. 100,000	Phase 1: Approx. 50,000 (Year 1-3) Phase 2: Approx. 60,000 (Year 4-6) Phase 3: Approx. 70,000 (Year 7-9) Phase 4: Approx. 80,000 (Year 10-12) Phase 5: Approx. 90,000 Year 13-15)
Taxation	7% of GGR for mass-market players 4% of GGR for VIP players	7% of GGR	7% of GGR

Source: HG.org Leading Lawyers: https://www.hg.org/legal-articles/gambling-licensing-in-cambodia-64817, Law Business Research; https://www.lexology.com/library/detail.aspx?g=60ecb333-cbf9-4d11-a7a5-6c1ad2062e61, International Association of Gaming Advisors: https://www.theiaga.org/cambodia---law-on-the-management-of-integrated-resorts-and-commercial-gambling and BDOCF Analysis

In December 2022, Cambodia implemented tax reforms requiring gambling operators to pay 10% VAT on GGR, prepay 1% of GGR taxes for table games and slot machines, and pay 20% income tax on profits, while also mandating financial reporting under International Financial Reporting Standards to support anti-money laundering and anti-corruption enforcement.[72,73]

While the introduction of these regulations has raised barriers to entry and assisted in the dismantling of illegal gambling operations, Cambodia's current tax regime and licensing requirements remain less stringent than those in many other southeast Asian jurisdictions.

6.3.6 Key Drivers and Risks

Tourist visitation is a key driver for Cambodian casino operators. Cambodia has rebounded strongly since the COVID-19 pandemic, with tourist arrivals in 2024 surpassing pre-pandemic levels recorded in 2019. Table 6.3 below presents key tourism statistics since 2019, highlighting that Thai tourists currently account for the largest share of arrivals at 32%.

[69] HG.org Leading Lawyers: https://www.hg.org/legal-articles/gambling-licensing-in-cambodia-64817
[70] Law Business Research: https://www.lexology.com/library/detail.aspx?g=60ecb333-cbf9-4d11-a7a5-6c1ad2062e61
[71] Casino.org : https://www.casino.org/news/cambodia-sets-new-casino-tax-plan-in-motion-with-the-new-year/
[72] KPMG - Seize the Opportunity - https://assets.kpmg.com/content/dam/kpmg/kh/pdf/publication/2023/kpmg-investing-in-cambodia-2023-and-beyond.pdf
[73] Khmer Times - MEF changes tax rules for commercial gambling businesses - https://www.khmertimeskh.com/501216022/mef-changes-tax-rules-for-commercial-gambling-businesses/

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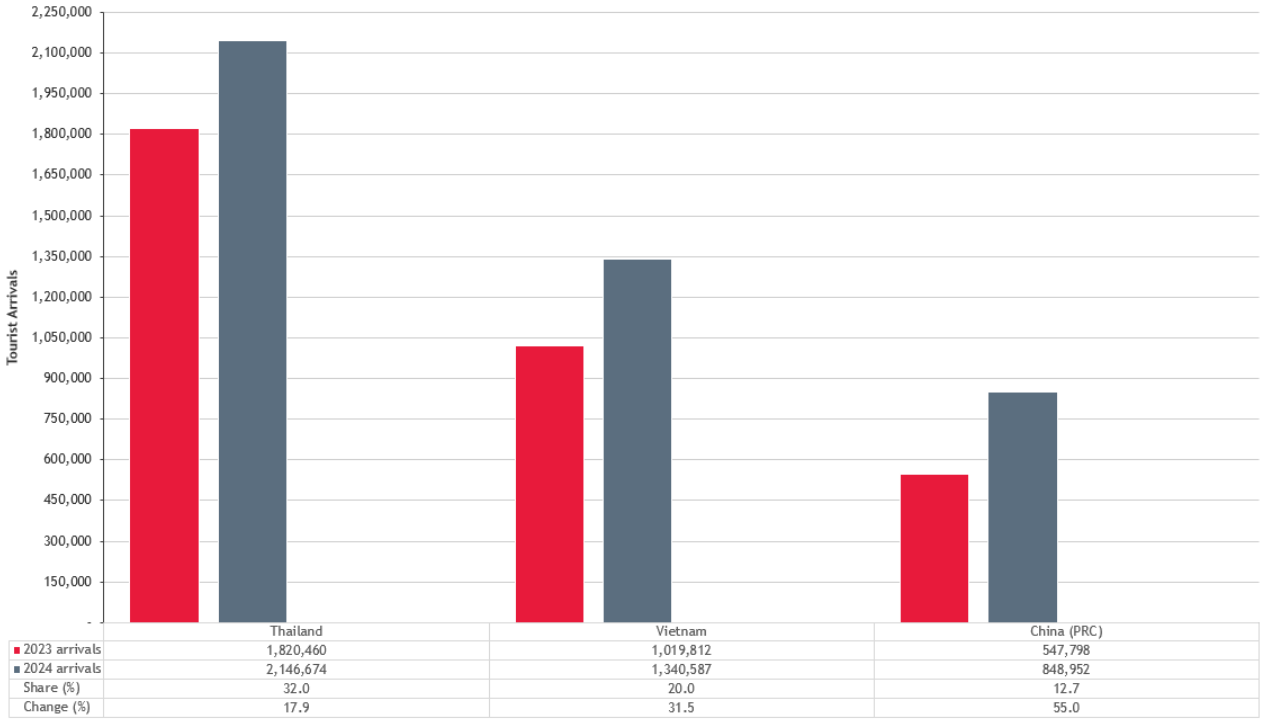
Table 6.3: Cambodian Tourist Visitation Data

Year	International Tourist Arrivals	% Change	Thailand Tourist Arrivals	% Change	% Share	China Tourist Arrivals	% Change	% Share	Vietnam Tourist Arrivals	% Change	% Share
2019	6,610,592	6.6	466,493	22.0	7.1	2,361,849	16.7	35.7	908,803	13.6	13.7
2020	1,306,143	(80.2)	210,876	(54.8)	16.1	329,673	(86.0)	25.2	182,199	(80.0)	13.9
2021	196,495	(85.0)	81,844	(61.2)	41.7	45,775	(86.1)	23.3	22,120	(87.9)	11.3
2022	2,276,626	1,058.6	853,376	942.7	37.5	106,875	133.5	4.7	463,995	1,997.6	20.4
2023	5,453,231	139.5	1,820,460	113.3	33.4	547,798	412.6	10.0	1,019,812	119.8	18.7
2024	6,700,125	22.9	2,146,674	17.9	32.0	848,952	55.0	12.7	1,340,587	31.5	20.0

Source: Ministry of Tourism - Cambodian Government: Tourism Statistics Report 2019, 2020, 2021, 2022, 2023 and 2024, and BDOCF Analysis

Figure 6.5: Top 3 Cambodian Tourist Markets by Arrivals 2024



Source: Ministry of Tourism - Tourism Statistics Report 2024 and BDOCF Analysis

Illegal online gambling and associated scam operations present a growing reputational and regulatory risk to Star Vegas in Poipet. According to the United Nations Office on Drugs and Crime's ('UNODC') 2024 Casino and Underground Banking Report, Poipet has become a key node in transnational criminal networks leveraging casinos and unregulated online platforms for money laundering, fraud, and underground banking.[74] The UNODC's 2023 Trafficking in Persons for Forced Criminality Report highlights that Poipet was previously a hub for scam compounds involved in trafficking and forced online criminality, with many operations now relocating to Myanmar due to increased Cambodian enforcement.[75] Despite this shift, recent arrests in March 2025 and the repatriation of hundreds of Thai nationals involved in scam gaming call centres confirm that illicit gambling activities persist in Poipet, with Thai authorities pursuing prosecutions against individuals linked to illegal platforms operating in the region.[76,77]

This transnational crackdown on illegal gambling has led to some operational disruptions for Star Vegas. To combat scam centres and human trafficking, Thai authorities have begun cutting electricity and internet supply along the Thai Cambodian border, including to Poipet, where many illicit operations are based. Thai Governor Monsit Phaisanthanawat in March 2025 proposed constructing a 55-kilometre border fence equipped with surveillance cameras to curb cross-border trafficking and criminal activity in the area.[78] During a recent visit to the Thai-Cambodian border, Thailand's deputy prime minister confirmed that the government is prepared to extend power cuts

[74] UNODC - Casinos, Money Laundering, Underground Baking, and Transnational Organized Crime in East and Southeast Asia: A hidden and Accelerating Threat: https://www.unodc.org/roseap/uploads/documents/Publications/2024/Casino_Underground_Banking_Report_2024.pdf
[75] UNODC - Casinos, cyber fraud, and trafficking in persons for forced criminality in Southeast Asia: https://www.unodc.org/roseap/uploads/documents/Publications/2023/TiP_for_FC_Policy_Report.pdf
[76] Bangkok Post: https://www.bangkokpost.com/thailand/general/2970761/119-thais-found-in-cambodian-call-centre-operations
[77] Bangkok Post: https://www.bangkokpost.com/thailand/general/2980551/15-thais-sought-for-online-gambling-in-poipet-
[78] Thai PBS World - https://www.youtube.com/watch?v=3JUEXSDQ8nw

and internet signal disruptions to Poipet if scam operations relocate from Myanmar to their former bases in the region, signalling a possible escalation in enforcement.[79]

6.3.7 Major Competitors

The most significant potential competitor and risk to Star Vegas is new casinos in Thailand, due to the draft Entertainment Complex Business Act, which was approved in principle in January 2025, with the aim of legalising casino operations within integrated entertainment complexes in Thailand. Non-Associated Shareholders should refer to Section 5.2.2 for details on the draft legislation.

The legalisation of domestic casinos within Thailand could significantly impact cross-border movement, reducing a key revenue stream for Star Vegas and similar establishments situated along the Thai-Cambodian border. While the timing and final form of the legislation remain uncertain, the draft law presents a material competitive threat to the existing customer base of Star Vegas.

6.4 Australian Casino Overview

As Donaco is listed on the ASX, we have prepared an overview of the Australian casino industry. This industry overview outlines key trends, regulatory developments, and recent challenges facing Australian casino operators, which may provide broader insights into the operating environment and investor sentiment affecting listed gaming entities.

The Australian casino industry has come under heightened regulatory scrutiny in recent years, with The Star Entertainment Group ('Star') at the centre of major independent inquiries in New South Wales ('NSW') and Queensland. In NSW, the Bell Review initiated in September 2021, found The Star unsuitable to hold a casino licence due to serious misconduct, including compliance failures, misleading conduct, and a deficient corporate culture. Consequently, in October 2022, the NSW Independent Casino Commission suspended The Star's Sydney licence indefinitely, imposed a $100 million fine, and appointed an independent manager to oversee operations.[80,81]

A parallel inquiry in Queensland; the Gotterson Review completed in September 2022, examined The Star's operations at The Star Gold Coast and the former Treasury Casino in Brisbane. It reached similar conclusions, finding that operations were inconsistent with the objectives of the Casino Control Act 1982 (QLD). In response, the Queensland Government also imposed a $100 million fine, issued a 90-day licence suspension (subsequently deferred), and appointed the same independent manager as in NSW to oversee operations.[82,83,84]

Notably, Crown Casino in Melbourne and The Star operated under a similar business model to Aristo, with key personnel moving between the two organisations and both relying on junket operators; most prominently Suncity Group, which was linked to Chinese organised crime (refer to Section 6.3.3). These partnerships allowed Suncity to operate private high-roller rooms within the casinos, creating environments where money laundering and other illicit activities could occur with limited regulatory oversight. Despite early warnings from the ABC's Four Corners investigation in 2014 and subsequent regulatory inquiries, including the 2021 Finkelstein Royal Commission into Crown, these arrangements persisted for years.[85]

These significant compliance breaches have left The Star in a state of ongoing financial distress, prompting multiple trading halts alongside successive equity raisings and asset sales aimed at avoiding insolvency. Investors contributed approximately A$1.5 billion across two capital raisings in 2023, first at A$1.20 per share in February and subsequently at A$0.60 in October. Despite these efforts, Star's share price fell to as low as A$0.11 on 3 March 2025, prior to a further trading suspension pending the release of its half-year financial results. With investor confidence severely eroded, the company has sought urgent financial remedies, including:

- Selling half of its stake in the A$3.6 billion Queen's Wharf Brisbane development to its Hong Kong-based partners, Chow Tai Fook and Far East Consortium, for just A$53 million;
- Divesting its Sydney Event Centre to Foundation Theatres for A$60 million;
- An unsuccessful bid to secure a refinancing arrangement with Salter Brothers Capital for A$750 million; and
- Securing a A$300 million rescue funding package from Bally's Corp, of which A$100 million was received in early April. Bally's Corp chairman stated that this amount would keep Star afloat for the next 15 months while it seeks regulatory approval for the full investment. Under the terms of the deal, Bally's Corp will be issued multi-tranche convertible notes and subordinated debt instruments. Upon conversion, Bally's Corp and the Mathieson family (already Star's largest shareholder) would jointly control 56% of Star's issued capital.

[79] The Nation Thailand - https://www.nationthailand.com/blogs/news/policy/40046292
[80] NSW Government - NSW Independent Casino Commission: https://www.nicc.nsw.gov.au/casino-regulation/2024-independent-inquiry-into-star
[81] NSW Government - NSW Independent Casino Commission: https://www.nicc.nsw.gov.au/casino-regulation/bell-review-of-star
[82] ABC: https://www.abc.net.au/news/2022-11-04/star-casinos-queensland-show-cause-notices-fentiman/101614468
[83] Queensland Government - Department of Justice: https://www.justice.qld.gov.au/initiatives/external-review-qld-operations-star-entertainment-group
[84] Queensland Government: https://statements.qld.gov.au/statements/102280#:~:text=The%20Crisafulli%20Government%20has%20deferred,days%2C%20from%2031%20March%202025
[85] ABC: https://www.abc.net.au/news/2024-08-30/why-star-entertainment-is-hanging-by-a-thread/104286612

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All the above measures represent last-ditch efforts to avoid administration.[86,87,88,89,90,91]

While Australia's casino industry is showing signs of recovery under tighter regulatory oversight, Cambodia and Vietnam face increasing challenges. Both jurisdictions are undergoing regulatory shifts aimed at addressing long-standing issues with illegal gambling and money laundering. As regulation increases across both markets, operational and investment risks may become more pronounced and competition may increase.

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[86] ABC: https://www.abc.net.au/news/2025-02-28/star-entertainment-trading-halt-half-year-financial-results/104993370
[87] Reuters: https://www.reuters.com/business/star-talks-with-salter-brothers-up-589-million-refinancing-2025-03-10/
[88] Asian Gaming Brief: https://agbrief.com/news/australia/06/03/2025/the-stars-hong-kong-partners-in-bid-to-purchase-its-queens-wharf-stake/
[89] Reuters: https://www.reuters.com/markets/deals/ballys-swooped-star-after-australian-casino-groups-fire-sale-chairman-says-2025-04-14/
[90] News.com.au: https://www.news.com.au/finance/business/other-industries/star-entertainment-completes-sydney-centre-selloff/news-story/49726ded23396b6830e3f49263a4823b
[91] ABC: https://www.abc.net.au/news/2025-04-02/star-entertainment-casino-rescue-funding-deal-collapse/105127014

7.0 Common Valuation Methodologies

7.1 Overview

RG 111 states that an expert should use its skill and judgment to select the most appropriate methodology or methodologies in its report. The expert must have a reasonable (or tenable) basis for choosing its valuation methodologies. However, RG 111 does not prescribe which methodology should be used by the expert, but rather notes that the decision lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the securities or assets being valued.

For the purposes of this Report we have had regard to the International Valuation Standards published by the International Valuation Standards Council ('IVSC').

There are three overarching valuation methodologies described by the IVSC as follows:

- Income approach methods
- Market approach methods
- Cost approach methods.

7.2 Basis of value

The basis of valuation we have adopted is 'market value'. Market value is defined by the IVSC as:

"…the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuation work set out in this Report assumes this relationship.

7.3 Income approach

7.3.1 **Discounted cash flow ("DCF') method**

The DCF method is widely used in cases where future cash flows, while uncertain, can be reasonably forecast based on available data, industry trends, or strategic projections. This approach is particularly applicable when an asset or business may experience initial cash outflows (i.e. during development or expansion phases) with anticipated positive cash flows in later years as it matures or achieves commercialisation. The DCF method captures these varying cash flow profiles by discounting projected future cash flows to present value, enabling a comprehensive valuation of entities with both stable and dynamic cash flow expectations.

The DCF method involves several key steps:

- Select the appropriate type of cash flow (i.e. pre-tax or post-tax, total cash flows or cash flows to equity, real or nominal) based on the nature of the subject asset.
- Determine the explicit forecast period, if applicable, over which cash flows will be projected. For assets at a stabilised level of growth and profits at the valuation date, an explicit forecast period may not be necessary, and a terminal value alone may form the basis of value (sometimes referred to as an income capitalisation method).
- Prepare cash flow projections for the explicit forecast period, aligning them with the asset's expected economic and operational performance.
- Calculate the terminal value, if appropriate, based on the asset's residual value or long-term growth rate beyond the forecast period.
- Determine the discount rate to reflect investor expectations of return, taking into account the specific risk characteristics of future cash flows and financing costs.
- Discount the projected cash flows and terminal value to a present value using the selected discount rate.
- Adjust for non-operating assets or liabilities to ensure the final valuation reflects the entity's full financial position.

7.4 Market approach

7.4.1 Guideline comparable method

The guideline comparable method is a common market approach that values an asset by reference to market-based metrics from comparable companies or transactions. This method is particularly applicable when there is reliable data on similar businesses or transactions in the relevant market.

The guideline comparable method involves several key steps:

- Identify relevant valuation metrics or comparable evidence that reflect how participants in the market value similar assets. Common metrics in business valuation include revenue, Earnings Before Interest, Taxes, Depreciation and Amortisation ('EBITDA'), Earnings Before Interest and Taxes ('EBIT'), net profit after tax, and book values, with the choice depending on the industry and characteristics of the business.

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- Select comparable publicly traded companies and relevant transactions, calculating key valuation metrics for each. When limited comparable information exists, we may also consider prices of similar businesses listed or offered for sale.
- Conduct a comparative analysis of qualitative and quantitative similarities and differences between the selected comparable companies and the subject asset to identify relevant adjustments.
- Make necessary adjustments to valuation metrics, if required, to account for differences between the subject asset and comparable companies (i.e. size, growth prospects, or risk profile).
- Apply the adjusted valuation metrics to the subject asset to arrive at an estimated value.

Additional adjustments may be appropriate to reflect differences between actual historical cash flows and those expected by a buyer on the valuation date.

Where earnings-based metrics (i.e. EBIT or EBITDA) are used for comparison, this is often referred to as the capitalisation of maintainable earnings ('CME') method.

7.4.2 Share transactions

The share transactions approach values an entity based on recent transactions of its securities, providing an indication of market value when transaction data is available. This approach is particularly relevant in the following scenarios:

- For publicly traded entities, where share prices on an exchange can indicate market value, provided there is sufficient trading volume and a consistent trading history over time; and/or
- For entities with recent share issuances, such as rights issues or private placements, which can provide insight into the entity's perceived value.

Share market prices typically reflect transactions for minority interests and may not incorporate a premium for control.

7.4.3 Industry specific metrics

Industry-specific valuation metrics can be relevant when market participants commonly rely on alternative measures of value specific to the industry.

7.5 Cost based method

7.5.1 Replacement cost method

The replacement cost method values an asset based on the economic principle that a buyer would pay no more than the cost to acquire an asset with equivalent utility, either by purchase or by construction, assuming no undue time, inconvenience, or risk factors. This method calculates value by estimating the current replacement or reproduction cost of an asset and deducting allowances for physical deterioration and any other relevant forms of obsolescence.

The key steps in the replacement cost method are:

- Calculate all costs that a typical participant would incur to create or acquire an asset with equivalent utility.
- Assess depreciation due to physical, functional, or external obsolescence associated with the subject asset.
- Deduct total depreciation from the replacement cost to determine the asset's value.

When the replacement cost method is applied based on the book value of an entity's assets, it is often referred to as an asset based valuation ('ABV') methodology.

7.5.2 Summation method

The summation method is useful for valuing entities whose overall value primarily depends on the individual values of different assets at various stages of development, or with different risk profiles.

The key steps in the summation method are:

- Value each component asset within the entity individually, using appropriate valuation approaches and methods for each type of asset.
- Aggregate the values of all component assets to determine the total value of the entity.

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8.0 Valuation of Donaco

This section sets out our valuation of the shares in Donaco and is structured as follows:

- Section 8.1 sets out our view of the most appropriate methodology to value Donaco;
- Section 8.2 sets out an overview of the Knight Frank Valuation Reports;
- Section 8.3 sets out our valuation of Donaco having regard to a summation approach;
- Section 8.4 sets out our valuation of Donaco having regard to share transactions;
- Section 8.5 sets out our valuation of Donaco having regard to the guideline comparable method; and
- Section 8.6 sets out our conclusion on the value of Donaco for the purposes of this Report.

8.1 Our valuation approach for Donaco

We have considered each of the valuation methodologies outlined in Section 7 above and determined, in our view, the most appropriate methodologies for calculating the value of Donaco. Having regard to our assessment of the nature of Donaco's assets, we have chosen to adopt a summation methodology valuation approach, the share transaction approach and the guideline comparable method to cross-check the results of our summation approach. We discuss each of these approaches below.

8.1.1 Summation method

We have applied the summation method, commonly used for entities where value is primarily derived from individual assets. Under this approach, each of Donaco's assets is valued separately on a market value basis, then aggregated to determine a total entity value. From this, surplus assets and liabilities are added/subtracted to derive an equity value. Table 8.1 below summarises our summation valuation approach. Our summation valuation is set out in Section 8.3.

Table 8.1: Summary of valuation methodologies utilised in our summation valuation

Category	Description
Donaco's operating assets (i.e. the Aristo and the Star Vegas)	To establish asset values of Donaco's operating businesses, we have relied on the Knight Frank Reports. We note that the Knight Frank Reports set out the value of the Aristo and the Star Vegas (being the operating assets) on both a going concern and vacant possession basis. For the purposes of our summation valuation, we have utilised Knight Frank's valuation of Donaco's assets on a going concern basis in conjunction with our consideration of working capital to capture the value of the business as an operating entity, reflecting the benefits of established operations, existing customer relationships, and the ability to generate future earnings. The Knight Frank Reports also set out the value of the Lao Cai International Hotel on a vacant possession basis. As stated in Section 5.2.1, the Lao Cai International Hotel is vacant and does not generate any revenue. We have considered this as a surplus asset (refer below).
Corporate overheads	Donaco incur costs for their corporate operations which sit outside of their casino operations in Vietnam and Cambodia. For completeness, we note that the corporate operations comprise the development and implementation of corporate strategy, commercial negotiations, corporate finance, treasury, management accounting, corporate governance and investor relations functions. For the purpose of valuing Donaco's corporate costs, we have adopted the Gordon Growth Model having regard to our view on an appropriate discount rate and long-term growth rate.
Other assets / liabilities	As mentioned above, we have considered the independent valuation undertaken by Knight Frank of the Lao Cai International Hotel as part of our surplus assets and liabilities on the basis that it is vacant and does not generate revenue. For all other assets and liabilities of Donaco, including surplus assets, surplus liabilities, cash and debt-like items, we have adopted an ABV methodology.

Source: BDO CF Analysis

8.1.2 Share transactions

The shares of Donaco are listed on the ASX and it is possible to observe the market price of trades in Donaco shares. An approach based on share transactions generally provides information relating to a valuation of Donaco shares on a minority interest basis.

Our analysis on the share transactions is set out in Section 8.4 below.

8.1.3 Guideline comparable method

To cross-check the reasonableness of our summation method valuation, we have referenced key metrics from comparable companies, focusing on earnings and relevant industry multiples. This allows us to assess whether Donaco's valuation aligns with market expectations for similar assets.

Our guideline comparable method is set out in Section 8.5 below.

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8.1.4 Conclusion on value

Having regard to the above valuation methodologies, we have formed a view on the most appropriate value to adopt for each Donaco share, on a controlling interest basis, for the purposes of this Report (refer to Section 8.6).

8.2 Overview of the Knight Frank Reports

In completing our work, we have had regard to the Knight Frank Reports dated 4 June 2025 which, broadly, set out Knight Frank's view of an appropriate market value for Donaco's assets, including:

- The Aristo (refer Appendix D for Knight Frank's Aristo Report);
- The Star Vegas (refer Appendix E for Knight Frank's Star Vegas Report); and
- The Lao Cai International Hotel (refer Appendix F for Knight Frank's Lao Cai International Hotel Report).

The Knight Frank Reports were coordinated by Cyrus Fong (Executive Director, Head of Valuation & Advisory, Greater China), Tuyen Huynh (Director, Head of Valuation and Advisory, Knight Frank Vietnam), Huynh Thi Thanh Truc (Valuation Senior Manager, NLP Valuation Services Company Limited), Law Kheng Fong (Executive Director, Valuation and Advisory, Knight Frank Cambodia) and Ross Wheble (Country Head, Knight Frank Cambodia), who were assisted in completing the Knight Frank Reports by various Knight Frank team members including locally based valuers. Refer to the Knight Frank Reports for more information.

Regarding the Knight Frank Reports we note:

- Knight Frank have the appropriate experience to value the assets set out in the Knight Frank Reports. The Knight Frank Reports include an overview of the qualifications of the relevant personnel involved in preparing the report;
- Knight Frank has prepared the Knight Frank Reports in accordance with the current editions of 'The RICS Valuation – Global Standards' issued by the Royal Institution of Chartered Surveyors (RICS). We understand that 'The RICS Valuation – Global Standards' incorporate the International Valuation Standards and are recognised globally as a set of standards governing property valuation;
- Knight Frank is independent with respect to Donaco and confirms that there is no conflict of interest with any party involved in the Proposed Transaction and neither Knight Frank nor any of its personnel involved in the preparation of the Knight Frank Reports have any material interest in Donaco; and
- The statements and opinions contained in the Knight Frank Reports are given in good faith and in the belief that they are not false or misleading.

Based on our enquiries and the information provided to us, we regard Knight Frank to be an independent specialist and in our view, it is appropriate for us to consider the work of Knight Frank in completing this valuation work. Knight Frank understand the purpose of the valuation work set out in this Report.

We confirm that we have been provided with express written consent by Knight Frank to refer to and rely on the Knight Frank Reports for the purposes of our valuation work in this Report. We have made reasonable enquiries of Knight Frank and are satisfied that the work and valuations in the Knight Frank Reports are suitable for use in this Report. Notwithstanding this, we do not take responsibility for the work of Knight Frank.

Any references to Knight Frank's work set out in this Report are in a summary form only and does not substitute for a complete reading of the Knight Frank Reports. Our summary does not include all of the information that may be of interest to Non-Associated Shareholders. The Knight Frank Reports are attached to this Report in the appendices. We recommend that the Non-Associated Shareholders read the Knight Frank Reports in full and in conjunction to this Report and related statements.

8.3 Summation valuation of Donaco

Our summation valuation of Donaco is set out as follows:

- Section 8.3.1 sets out a summary of Knight Frank's Valuation Reports for Donaco's properties;
- Section 8.3.2 sets our calculation of Donaco's corporate overheads;
- Section 8.3.3 sets out the adjustment we have made to allow for Donaco's surplus assets and liabilities that have not been considered as part of the valuations undertaken by Knight Frank; and
- Section 8.3.4 sets out our summation valuation of Donaco's shares prior to the Proposed Transaction on a controlling interest basis.

8.3.1 **Knight Frank's** Valuation of **Donaco's** Properties

Overview

As mentioned previously, in forming their view on the value of the market value of Donaco's properties, Knight Frank have valued the Aristo and the Star Vegas (being the operating assets) on both a going concern and vacant possession basis and the Lao Cai Hotel (being a vacant property which we consider a surplus asset) on a vacant possession basis.

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Having regard the Knight Frank Reports, we note:

- Knight Frank have valued the Aristo and the Star Vegas (both on a going-concern and vacant possession basis) utilising the income approach (based on a discounted cashflow analysis). We note that Knight Frank have also cross-checked their valuation of the properties on a going-concern basis using the market approach; and
- Knight Frank have valued the Lao Cai International Hotel on a vacant possession basis using a combination of the direct comparison method (to assess the land lease rental) and the discounted cashflow method to assess the net present value of net leasing income.

Process for Going Concern value

With regard to Knight Frank's valuation of the Aristo and the Star Vegas properties on a going concern basis, we note the following:

- The Aristo: Knight Frank have assessed the market value of the Aristo on an 'As Is' basis, reflecting the property's operation as a hotel and casino. This assumes the availability of all contents, fixtures, fittings and guest facilities, the ongoing validity of relevant hotel and casino licences as at the valuation date and continuation of the current brand. The valuation reflects the operation of the property as a 353-room hotel[92] with 8 table games and 88 slot machines; and
- The Star Vegas: Similarly, Knight Frank have determined the market value of Star Vegas on an 'As Is' basis, reflecting a 199-room hotel[93] and casino operation with 39 table games and 532 slot machines. The valuation similarly assumes the ongoing validity of required licences and continuation of the current brand.

In preparing these valuations, Knight Frank have considered the hotel and casino components separately, determining the value of each based on the DCF analysis applying a 10-year forecast period, with a terminal value derived from net income in the eleventh year capitalised at an appropriate yield over the remaining land lease term.

In terms of specific assumptions underpinning their DCF valuation methodology, Knight Frank have formed a view on appropriate assumptions to adopt having regard to:

- Historical and forecast profit and loss statements provided by Donaco;
- Historical occupancy data and forecast hotel room demand;
- Forecast capital expenditure budgets provided by Donaco;
- Operating cost structures and capital expenditure requirements; and
- Market considerations relevant to the gaming and hospitality sectors of Vietnam and Cambodia.

In forming their views on the terminal capitalisation rates and discount rates, Knight Frank have considered the following factors:

- The Aristo:
  - Terminal capitalisation rate: Due to limited market evidence of comparable hotel transactions, Knight Frank have determined the appropriate capitalisation rate based on factors such as location, size, facilities, standard of operation, income mix and market competitiveness;
  - Discount rate: The adopted discount rate reflects the property's location, the general rate of return for hospitality assets in Vietnam, and anticipated economic recovery and growth within the Vietnamese market; and
  - Additional risk factors: Knight Frank have also considered casino related risks, noting that a significant proportion of patrons originate from mainland China. Potential economic instability in China, driven by trade tensions and domestic challenges, may adversely impact the property's cash flows.
- The Star Vegas:
  - Terminal capitalisation rate: The adopted capitalisation rate reflects the elevated operational and regulatory risks associated with gaming activities in frontier markets such as Poipet, Cambodia. This includes the inherent volatility in gaming revenue, reliance on cross border patronage and licence renewal risk;
  - Discount rate: The discount rate similarly reflects location specific factors, operational and regulatory risks, and cash flow volatility, together with prevailing market returns for casino and hospitality assets in Cambodia; and
  - Additional risk factors: Given the material contribution of casino operations to total revenue, Knight Frank have also considered:

[92] Whilst the Aristo has 393 hotel rooms, Donaco have advised that 40 are used for internal purposes and are not available for guests. As a result, Knight Frank have only considered the cash flows that would be generated from 353 rooms. However, in their vacant possession valuation, they have assumed all 393 rooms are available to guests.

[93] Whilst the Star Vegas has 383 rooms that physically exist, following Knight Frank's inspection they determined that 184 are either 'leased on en-bloc' or not operational / available to guests including being utilised as staff accommodation. As a result, Knight Frank have only considered the cash flows that would be generated from 199 rooms. However, in their vacant possession valuation, they have assumed all 383 rooms are operational and available to guests.

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- Prospective legislative changes in Thailand which may legalise casino operations within integrated resorts, potentially diverting demand away from Star Vegas; and
- Measures recently introduced by Thai authorities aimed at curbing illegal gambling, including disruptions to electricity and internet connectivity along the Thai-Cambodian border (including Poipet), which have already impacted Star Vegas and may continue to affect its future operations.

For completeness, we note that by adopting a DCF analysis and assuming that the properties continue to operate 'As Is', the values determined by Knight Frank inherently include the property, plant and equipment, and working capital to support ongoing operations and realise the forecast cash flows.

Process for vacant possession basis

With regard to Knight Frank's valuation of the Aristo and the Star Vegas properties on a vacant possession basis, we note the following:

- The Aristo: Knight Frank have assessed the value of the Aristo on a vacant possession basis, assuming that the Property has 393 available hotel rooms with the contents, fixtures, fittings and other guest facilities fully available therein to the hotel guests and the casino is no longer in operation. The space previously used for casino operations is assumed to be available for alternative use or lease to third-party tenants with potential for additional rental income. The estimated values of the existing Casino furniture, fixtures and equipment are also reflected in their valuation; and
- The Star Vegas: Similarly, Knight Frank have assessed the value of the Star Vegas on a vacant possession basis assuming that the property has 383 available hotel rooms with the contents, fixtures, fittings and other guest facilities fully available therein to the hotel guest and the casino is no longer in operation. As with the Aristo, the space previously used for casino operations is assumed to be available for alternative use or lease to third-party tenants with potential for additional rental income. The estimated values of the existing casino furniture, fittings and equipment are also reflected in our valuation.

As part of their DCF valuation of both properties, Knight Frank have adopted key parameters based on market conditions and the performance of hotels with comparable positioning in Lao Cai and Poipet, for the Aristo and Star Vegas respectively. Both valuations also reflect local market dynamics and assume that a new third-party operator would take over the properties with access to all rooms (393 and 383 rooms for the Aristo and Star Vegas respectively), but without the benefit of existing branding, systems or historical trading momentum.

Accordingly, Knight Frank have adopted assumptions regarding initial performance, including lower occupancy and average daily rates during the initial / early years, to reflect the time typically required for a new operator to establish market presence and operational momentum. Their projections allow for a ramp-up period of approximately five years before reaching a stabilised trading position, which Knight Frank consider is consistent with market expectations for repositioned hospitality assets in Vietnam and Poipet. Performance assumptions have also been benchmarked against regional comparables.

Knight Frank have also reconsidered the terminal capitalisation rate and discount rate adopted within the going concern valuations in light of the change in operations, reflecting the absence of a casino and the availability of alternative leasing opportunities. We note this resulted in a decrease to both the terminal capitalisation rate and discount rate being applied in the vacant possession valuations.

Knight Frank's assessed valuation of the Aristo and the Star Vegas on a vacant possession basis have lower market values when compared to their valuation of these assets on a going-concern basis. Despite Knight Frank adopting a lower terminal capitalisation rate and discount rate, the reduction in value is primarily driven by:

- The removal of the existing casino operation, the resulting loss of a major income stream and the uncertainty regarding the future use and income generation potential of the former casino space;
- The assumed replacement of the current branded operator with a new market-standard operator necessitates assumptions regarding occupancy and room rates, particularly in the early years, to reflect the time required to establish new brand recognition and operational momentum; and
- The assumption that there is no benefit from existing operating efficiencies, customer loyalty, or synergies, which are otherwise embedded in a going concern valuation.

For completeness, we note that based on calculations provided by Knight Frank, their valuation on a vacant possession basis incorporates the estimated values of the existing furniture, fixtures and equipment of each casino. We understand that in valuing these assets, Knight Frank have adopted a cost approach.

For the purposes of this Report, we consider the going concern valuation to be the more relevant basis as it reflects the current operations of the properties. However, for completeness, we note that a vacant possession valuation may be more appropriate where:

- The property is to be sold or leased free from existing operational encumbrances, such as the sale of a physical asset without transfer of the existing business;
- A purchaser does not intend to continue the current operational model (i.e. casino operation), and instead plans to repurpose the property for alternative uses;

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- The existing operating licences (such as gaming licences) are not transferrable or are uncertain; and
- The existing brand or management arrangements will not continue post-transaction, requiring repositioning or rebranding of the hotel operations.

Values calculated by Knight Frank for 100% interest in the properties

Table 8.2 below sets out a summary of the values we have adopted for Donaco's properties, on a 100% basis, having relied on the Knight Frank Reports. Knight Frank have valued the properties as at 17 March 2025. Notwithstanding, Knight Frank state that in their opinion, nothing material has occurred since their valuation date up to the date of the Knight Frank Reports that would affect their valuation opinion.

Table 8.2: Value adopted for **Donaco's Properties** from the Knight Frank Reports

US$'000s	Low value	High Value
Valuation of Donaco's properties - going concern basis		
The Aristo	24,230	25,560
The Star Vegas	32,235	33,525
Total value of the Aristo and Star Vegas (going concern)	56,465	59,085
Valuation of Donaco's properties - vacant possession basis		
The Aristo	23,350	25,590
The Star Vegas	16,310	17,550
Total value of Donaco's properties (vacant possession)	39,660	43,140

Source: Knight Frank Report, BDOCF analysis

Adjustment for Donaco's Interest in the Properties

Table 8.3 below sets out the value of the properties to Donaco (i.e. it sets out the value of the properties determined by Knight Frank for the ownership interest Donaco has in each asset).

Table 8.3: **Value adopted for Donaco's Properties Adjusted for the Company's interest** (USD)

US$'000s	Donaco's interest	Low value	High Value
Valuation of Donaco's properties - going concern basis			
The Aristo	95%	23,019	24,282
The Star Vegas	100%	32,235	33,525
Total value of the Aristo and Star Vegas (going concern)		55,254	57,807
Valuation of Donaco's properties - vacant possession basis			
The Aristo	95%	22,183	24,311
The Star Vegas	100%	16,310	17,550
Total value of Donaco's properties (vacant possession)		38,493	41,861

Source: Knight Frank Report, BDOCF analysis

Adjustment for Foreign Exchange

Table 8.4 below sets out the value of the properties in AUD. We have converted the value of the properties from USD to AUD based on the average exchange rate over the period from 1 April 2025 to 30 April 2025 of 0.6278 USD/AUD.

Table 8.4: **Value adopted for Donaco's Properties Adjusted for the Company's interest** (AUD)

A$'000s	Low value	High Value
Valuation of Donaco's properties - going concern basis		
The Aristo	36,663	38,676
The Star Vegas	51,343	53,398
Total value of the Aristo and Star Vegas (going concern)	88,006	92,073
Valuation of Donaco's properties - vacant possession basis		
The Aristo	35,332	38,721
The Star Vegas	25,978	27,953
Total value of Donaco's properties (vacant possession)	61,310	66,674

Source: Knight Frank Report, BDOCF analysis

8.3.2 **Donaco's** corporate overheads

Donaco incur costs for their corporate operations (i.e. costs that sit outside of their casino operations in Vietnam and Cambodia). Corporate operations comprise the development and implementation of corporate strategy, commercial negotiations, corporate finance, treasury, management accounting, corporate governance and investor relations functions.

In valuing Donaco's corporate overheads, we have utilised the Gordon Growth Model, which calculates the value of the costs in perpetuity. In adopting this approach, we have formed a view on a 'normal level' of corporate overheads, an appropriate discount rate and a long-term growth rate. The following sections set out the basis of our selected assumptions and our calculation of Donaco's corporate costs.

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Donaco's 'normal level' of corporate overheads

In forming our view on an appropriate basis for Donaco's normal level of corporate overheads, we have considered Donaco's historical corporate costs from FY15 to FY24, the costs incurred in the first half of the current financial year (i.e. the 6 months ended 31 December 2024) and how this compares to Donaco's FY25 budget. This information is summarised in Table 8.5 below.

Table 8.5: **Donaco's** Corporate Overheads

A$ **'millions**	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	HY25	FY25 Budget
Corporate Costs	5.87	22.72	10.55	10.81	7.70	5.49	3.46	2.74	2.73	2.91	1.56	3.05

Source: Donaco's Investor Presentation ASX Announcements, BDOCF analysis

Having regard to Table 8.5, we note the following:

- From FY15 to FY24, Donaco's corporate overheads have been in the range of $2.73 million in FY23 to $22.72 million in FY16 with an average and median over the period of $7.50 million and $5.68 million respectively;
- Despite the wide range in historical costs, more recently (i.e. from FY21 to FY24), Donaco's corporate overheads have been in the range of A$2.73 million in FY23 to A$3.46 million in FY21 with an average and median over the period of A$2.96 million and A$2.83 million respectively;
- Extrapolating Donaco's HY25 results indicates that corporate costs for FY25 will be approximately A$3.12 million; and
- Donaco's budgeted corporate overheads for FY25 were A$3.05 million.

Having regard to the commentary set out above, we consider A$3.0 million to be Donaco's 'normal' level of corporate overheads. This reflects the more consistent cost structure observed from FY21 onwards, supported by both the HY25 extrapolated result and budgeted FY25 figures (A$3.12 million and A$3.05 million respectively). We note we have placed greater weight on the recent data, as we consider it to be more indicative of the current operating model.

Notwithstanding the above, we note that approximately A$1.0 million of these costs relate to ASX listing requirements. As it is unlikely that these costs would be incurred by a marginal acquirer seeking to purchase the Company, we have excluded them from our assessment of maintainable corporate overheads.

On this basis, we consider A$2.0 million to be a reasonable estimate of ongoing corporate costs for valuation purposes and have adopted this figure in our analysis.

Discount rate adopted

We have adopted a discount rate of 15% for the purposes of valuing Donaco's corporate overheads.

Long term growth rate

We have adopted a long-term growth rate of 2.5%, which represents the midpoint of the Reserve Bank of Australia's long-term inflation target of 2% to 3%. This rate has been used as the basis for growth of Company's corporate operations.

Valuation of Donaco's corporate overheads

Table 8.6 below sets out our valuation of Donaco's corporate overheads.

Table 8.6: **Valuation of Donaco's corporate** overheads

A$**'000s**	
'Normal' level of corporate overheads	2,000
Adopted discount rate	15.00%
Adopted long term growth rate	2.50%
Value of corporate overheads	16,400

Source: Management, BDOCF

1 In line with the Gordon Growth Model perpetuity calculation approach, the value of the corporate overheads was calculated as A$2,000,000 x (1 + 2.5%) / (15% - 2.5%).

8.3.3 Donaco's surplus assets and liabilities

The valuation of Donaco's operating assets set out in Section 8.3.1 exclude the impact of the Company's debt on the financial results as well as the value of surplus assets or liabilities (i.e. those assets and liabilities which are not required for the usual business operations).

When adopting the summation valuation methodology to calculate the value of the equity in a company, it is appropriate to add the Company's surplus cash and cash equivalents, subtract the value of interest-bearing liabilities, and add (subtract) the value of any surplus assets (liabilities) to (from) the enterprise value ('EV') to find the equity value.

We have set out our analysis of Donaco's remaining assets and liabilities below.

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Donaco's net debt position

Net debt represents a company's total borrowings less its cash and cash equivalents. In assessing net debt, it is important to consider whether any portion of cash is required to support ongoing working capital needs, as this may limit its availability to offset borrowings and, therefore, its inclusion in the net debt calculation.

To determine the value of the Company's net debt position, we have considered the information included in the Company's 31 March 2025 financial accounts and have made enquiries with Management in relation to any material adjustments to reflect the market value of the assets and liabilities.

Cash and cash equivalents:

As at 31 March 2025, Donaco's total cash and cash equivalents amounted to approximately A$40 million, comprising approximately A$15.0 million held by the Aristo Group, A$23.5 million by the Star Vegas Group, and A$1.5 million at the Donaco parent company level.

While cash and cash equivalents are typically treated as surplus assets in valuation assessments, we have considered several factors in assessing the extent to which Donaco's cash balance may reasonably be regarded as surplus to operational requirements. In forming our view, we have had regard to the Company's business operations, the regulatory capital requirements of the Star Vegas casino (refer Section 5.2.2), forecast cash flows, and discussions held with Management during the engagement.

Management have advised that, of the Company's total cash and cash equivalents:

- Approximately A$8.0 million (US$5.0 million converted to AUD at the average USD to AUD exchange rate over the period from 1 April 2025 to 30 April 2025 of 0.6278 USD/AUD) is required to be held as a reserve for the Star Vegas to provide an operating float for slot machines, table games, floating chips and other expenses. Management is of the view that any acquirer of either the Star Vegas on its own or the Donaco business as a whole would be required to retain a similar amount of cash in the business. The Knight Frank valuation assumes access to all of the required working capital, including this cash which is required to be retained in the business (and is therefore unable to be distributed to shareholders);
- Approximately A$11.1 million (US$7.0 million converted to AUD at the average USD to AUD exchange rate over the period from 1 April 2025 to 30 April 2025 of 0.6278 USD/AUD) is required to be held as a reserve for the Aristo to provide an operating float for slot machines, table games, floating chips and other expenses. Management is of the view that any acquirer of either the Aristo on its own or the Donaco business as a whole would be required to retain a similar amount of cash in the business. The Knight Frank valuation assumes access to all of the required working capital, including this cash which is required to be retained in the business (and is therefore unable to be distributed to shareholders); and
- Approximately A$4.0 million is required to be held in order to satisfy the Star Vegas registered share capital requirements. We understand that 10% of the Star Vegas' registered share capital (approximately US$25 million) is required to be held in cash, which equates to approximately US$2.5 million or approximately A$4.0 million (converted to AUD at the average USD to AUD exchange rate over the period from 1 April 2025 to 30 April 2025 of 0.6278 USD/AUD).

The cash that Donaco is required to keep in the business for working capital, based on the above bullet points, accounts for approximately A$23.1 million of the A$40 million cash balance. For completeness, we note that Management has advised that Donaco maintains approximately US$300k (or approximately A$478k) in a corporate reserve account, intended as a short-term contingency to meet monthly payment obligations. While Management does not regard this amount as surplus, we note that unlike the casino reserves, there is no requirement for Donaco to hold this cash. Accordingly, we consider this amount to be surplus for valuation purposes.

In addition to the above, we note that Donaco is required to meet future capital requirements in Cambodia. As detailed in Section 5.2.2, following the introduction of the Law on the Management of Commercial Gambling in November 2020, Sub-Decree No. 166 (issued on 26 August 2021) mandates a minimum capital requirement for licensed casino operators[94]. For existing licensees, the phased requirement is as follows noting these are total requirements (i.e. not incremental):

- Phase 1 (by 30 June 2022): KHR 50 billion (approx. US$12.5 million);
- Phase 2 (by 30 June 2025): KHR 100 billion (approx. US$25.0 million);
- Phase 3 (by 30 June 2028): KHR 200 billion (approx. US$50.0 million);
- Phase 4 (by 30 June 2032): KHR 300 billion (approx. US$75.0 million); and

[94] Sub-Decree No. 166 defines "capital" as current assets that includes shareholders' funds in the company and other immovable properties but excludes the following:
(a) Non-current assets and pre-paid expenses of the company;
(b) Unsecured credit and cash advance paid by the company and considered as current assets;
(c) Amount to be paid by the directors, partners, or associates to the company and considered as current assets;
(d) Amount exceeding the value of the shares that has been recorded and kept in the company's account based on the market value;
(e) Deficit of account receivable by deducting the provision for bad and doubtful debts, and prepared in a form as will be determined by CGMC; and
(f) Other components for the calculation of the net equity of the company which is to be determined in a separate Prakas to be issued by CGMC.
As the source document of Sub-Decree No. 166 is not in English, we have relied on a publication from Rajah & Tann Sok & Heng Law Office.

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- Phase 5 (by 30 June 2036): KHR 400 billion (approx. US$100.0 million).

Accordingly, Donaco will be required to increase its recognised capital by approximately US$75 million between 30 June 2025 and 30 June 2036. For completeness, we note that Knight Frank have not considered these capital requirements in their calculations, rather they have assumed that a potential acquirer will be able to meet these requirements with their own existing capital and/or there are other assets of Donaco that can be used to satisfy these requirements. To the extent that cash backing would be required, the valuation completed by Knight Frank would be reduced. The language used in the Sub-Decree No. 166 is subjective and it is difficult to understand what the marginal acquirer may need to provide in terms of the minimum capital requirements.

Following discussions with Management, we understand that Donaco satisfied the capital requirements under Phase 2 in December 2024 by transferring US$12.5 million from its reorganisation reserve account to its share capital account via a journal entry at the Star Vegas Group level (i.e. the capital requirements were met via accounting entries within the group and no additional cash provided as security). While further accounting adjustments may be possible to meet regulatory requirements, Donaco Management have informed us they expect to utilise a significant portion of any excess cash reserves and future cash flow to meet their obligations under Phase 3 to Phase 5.

Management has provided us with a financial model of Donaco's operations ('the Model'). The Model represents a base case and has not been adjusted for the aforementioned uncertainties[95]. From the Model, we have considered the forecast free cash flow to the firm ('FCFF'), being the cashflows available to distribute to all stakeholders after accounting for operating expenses and reinvestment and the forecast free cash flow to equity ('FCFE'), being the FCFF less cash flows associated with debt (i.e. repayments and interest). Based on the Model, we note:

- The total nominal FCFF of Donaco (being the FCFF of the Aristo plus the FCFF of the Star Vegas minus corporate costs) over the period from FY25 to FY36 is approximately US$128.4 million; and
- The total nominal FCFE of Donaco (being the FCFE of the Aristo plus the FCFE of the Star Vegas minus corporate costs) over the period from FY25 to FY36 is approximately US$123.4 million.

Having regard to the base case assumptions in the Model, if Donaco were to retain all future free cash flows (i.e. refrain from paying dividends or pursuing growth initiatives), Donaco would likely (under the base case assumptions) generate sufficient capital (in cash) to meet its future capital obligations under the Cambodian regulatory requirements. However, we reiterate that the Model has not been adjusted to reflect the factors which create ongoing concern about the stability of future cash flows[95]. These factors create heightened risk as to Donaco's ability to generate the future free cash flows assumed under the base case assumptions.

Based on the above, we understand that Management is of the view that the Company is not in a position to distribute dividends in the near future due to the need to retain cash in order to meet future short-term obligations and to address future uncertainties in the business[95].

In light of the above, for the purposes of our surplus asset and liability assessment, we have adopted a cash and cash equivalents balance ranging from A$nil at the low end to approximately A$16.9 million at the high end. With regards to this, we note:

- The low end reflects the position of the Company in circumstances where Donaco's existing cash balance (in excess of the operation reserve and regulatory requirements) of approximately A$16.9 million is not surplus to the Company and instead, will be held by Management to support ongoing operations, provide a 'buffer' against any uncertainties[95] and contribute to meeting future regulatory capital requirements; and
- The high end considers the position of the Company in circumstances where Donaco's existing cash balance (in excess of the operation reserve and regulatory requirements) of approximately A$16.9 million can be treated as surplus.

Borrowings:

As at 31 March 2025, Donaco had total borrowings of approximately A$11.0 million.

Borrowings relate to an unsecured loan facility signed in July 2021 with Mr Lee Bug Huy, Donaco's current CEO and executive director, for a loan of US$7.8 million. An additional loan facility agreement was entered into on 2 May 2022 for an additional US$5.0 million. Under an annex to the original loan facility agreement that was entered into on

[95] As mentioned previously, external factors which may impose challenges on Donaco and impact the Company's operations, cash flows and the value shareholders can ultimately realise include:

(a) Increased capital requirements for Star Vegas: On 26 August 2021, the Royal Government of Cambodia issued Sub-Decree No. 166, mandating that all casinos, including Donaco's Star Vegas, maintain minimum capital of KHR400 billion (approx. US$100.0 million / A$160.8 million) by 30 June 2036. This will be phased in over five stages. Refer Section 5.2.2 for more information.

(b) New tax obligations in Cambodia: From 1 January 2025, Star Vegas is subject to additional tax requirements under Prakas No. 1080, issued by the Ministry of Economy and Finance of Cambodia. These are outlined further in Section 5.2.2.

(c) Ongoing tax dispute in Vietnam: Donaco is currently in dispute with the Vietnamese government over Decision No. 15/QD-TCT, relating to tax liabilities and penalties primarily concerning floating chips. The total claim is approximately VND139.3 billion (approx. US$5.5 million / A$8.9 million). The matter is ongoing, and its outcome remains uncertain. Refer Section 5.2.1 for more information.

(d) Regulatory threat in Thailand: Proposed legislation to legalise gambling in Thailand poses a direct threat to the Star Vegas, which relies heavily on Thai nationals crossing the border to Poipet. If gambling becomes legal in Thailand, cross-border visitation and revenue for Star Vegas could decrease and the decrease could be material. Refer Section 5.2.2 for more information.

(e) Operational disruptions due to electricity cuts: In response to illegal online gambling and scams, Thai authorities have begun cutting electricity and internet along the Thai-Cambodian border, including Poipet. These actions have already disrupted operations at Star Vegas and may persist or escalate, further affecting business continuity. Refer Section 6.3.6 for more information.

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20 September 2023, the original loan facility is due to be repaid by 22 July 2027, six years from the first drawdown, as extended from the original repayment due date of 22 July 2024 while the additional loan facility is due to be repaid by 13 May 2026, four years from the first draw down.

We have included the total balance of borrowings as part of net debt.

Floating chips:

As at 31 March 2025, Donaco's floating chip balance was approximately A$6.0 million.

Floating chips are casino chips that have been issued and are currently in circulation but have not yet been returned or redeemed. These unreturned or unredeemed chips may be redeemed by players on demand. For financial reporting purposes, the number of floating chips is determined as the difference between the number of chips in use and the actual chips physically counted by the casino as at the reporting date.

As the floating chips can be redeemed by players on demand, we consider this a net debt item.

Notwithstanding the above, we note that as part of the reserve accounts held at the Star Vegas and the Aristo of approximately A$8.0 million and approximately A$11.3 million, Donaco have included the balance of outstanding floating chips. As a result, we have already adjusted for the balance of floating chips at each casino in our assessment of surplus cash and cash equivalents.

Summary of net debt:

Table 8.7 below sets out a summary of Donaco's net debt.

Table 8.7: Donaco's net debt

A$'000s	Low	High
Cash and cash equivalents[1]	-	16,887
Borrowings	(10,898)	(10,898)
Total	(10,898)	5,989

Source: BDOCF analysis

1. As mentioned previously, Donaco adjust for the balance of outstanding floating chips in their casino reserve accounts (approximately A$6.3 million for the Aristo and approximately A$77k at the Star Vegas). As a result, floating chips have already been considered in our adjustment of cash and cash equivalents.

Lao Cai International Hotel

As mentioned previously, Donaco controls three properties including the Aristo, the Star Vegas, and the Lao Cai. Of these, only the Aristo and Star Vegas are income-generating operating assets. Lao Cai is currently vacant, does not produce any revenue and Management do not expect Lao Cai to generate revenue in the future. Accordingly, we have considered the Lao Cai as part of our surplus assets and liabilities.

To determine an appropriate value for the Lao Cai, we have relied on the Knight Frank Reports. Knight Franks Lao Cai International Hotel Report Knight Frank determined an estimated value for the Lao Cai International on a vacant possession basis in the range of US$nil to US$128k on a 100% ownership basis. Adjusting for Donaco's 95% interest and utilising the average exchange rate over the period of 1 April 2025 to 30 April 2025 of 0.6278 USD/AUD, the value of the Lao Cai to be included as part of our surplus assets is in the range of A$nil to A$194k.

Taxation dispute with the Vietnamese government

As set out in Section 5.2.1, on 30 January 2023, Donaco received Decision No. 15/QD-TCT from the Vietnamese GDT, dated 11 January 2023, regarding the requirement to pay tax collections and penalties primarily associated with the determination of tax payable for floating chips. As at 31 March 2025, the taxation fine and penalty payable is approximately A$8.1 million.

Whilst Donaco have started making payments, they disagree with the decision and are actively pursuing complaint procedures in accordance with the laws and regulations of Vietnam. If Aristo is successful in the legal proceedings, the total penalty amount paid may be refunded or used to offset any future tax liability. Management considers that it has a strong chance of success in the court case, arguing that it is illogical to classify floating chips as taxable revenue. Management's position is that floating chips represent a temporary exchange where cash is converted into chips to play games, rather than generating income. Since the chips can be exchanged back for cash at any time and no profit is made in this process, they are treated as liabilities (trade payables) rather than revenue. Their view is that taxable revenue should only be recognised if the casino ceases operations and any chips remain unredeemed.

Having regard to the commentary set out above, for the purposes of our surplus assets and liabilities, we have included a balance for the taxation dispute with the Vietnamese government of approximately A$8.2 at the low end and $nil at the high end. With regards to this, we note:

- The low end reflects the position of the Company in circumstances where Donaco are unsuccessful in their legal proceedings and are required to repay the full balance of the penalty; and
- The high end reflects the position of the Company in circumstances where Donaco are successful in their legal proceedings and are not required to pay the penalty. For completeness, we note that in circumstances where Donaco are successful, the penalty amount paid may be refunded or used to offset any future tax liability. Whilst

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Donaco has paid approximately A$700k towards the fine (as at 28 February 2025), we have not considered the potential refund or tax benefit in our valuation.

For completeness, we note that the historical and forecast profit and loss projections provided by Donaco and relied upon by Knight Frank for the purposes of their valuation present income on a tax exclusive basis. We also understand that, following the dispute with the Vietnamese Government, Donaco has commenced payment of the related fines but has not changed its recognition or treatment of floating chips, pending an official court verdict. Accordingly, while the income adopted by Knight Frank allows for taxes (special sales tax and value added tax), it has not been adjusted to reflect any additional taxes that may become payable should the revised treatment of floating chips ultimately be upheld.

Provision for income tax

As at 31 March 2025, Donaco has recorded a provision for income tax balance of approximately $756k.

Transaction costs

As set out in the Scheme Booklet, Donaco's Directors Mr Roderick Sutton, Mr Andrew Phillips, Mr Porntat Amatavivadhana, Mr Issaraya Intrapaiboon and Mr Lee Bug Huy will each receive a bonus payment of $150k, due to their sustained involvement in the scheme process and irrespective of the outcome of the Proposed Transaction.

In addition to the above, based on information provided by Management, we understand that total costs (i.e. fees to advisors) associated with the Proposed Transaction is approximately A$1 million.

Having regard to the above, we note that total costs to Donaco associated with the Proposed Transaction amount to approximately A$1.75 million.

Summary

Table 8.8 below sets out a summary of Donaco's surplus assets and liabilities.

Table 8.8: Value adopted for **Donaco's surplus assets and liabilities**

A$'000s	Low	High
Net debt	(10,898)	5,989
Lao Cai International Hotel	-	194
Taxation dispute with the Vietnamese government	(8,120)	-
Provision for income tax	(757)	(757)
Transaction costs	(1,750)	(1,750)
Total	(21,525)	3,676

Source: BDOCF analysis

All of the assets and liabilities on Donaco's balance sheet that have been excluded from Table 8.8 represent working capital and operating assets/liabilities accounted for in the Knight Frank Reports.

We have also been informed by the Non-Associated Directors that there are no other material assets, liabilities or off-balance sheet assets and liabilities or unrecognised liabilities as at the date of this Report that have not been included in the above adjustments.

8.3.4 Summation valuation of Donaco

Having regard to the information set out in Section 8.3.1 to 8.3.3, we have calculated the value of Donaco using the summation method. The results of summation valuation of Donaco is set out in Table 8.9 below.

Table 8.9 Summation valuation of Donaco prior to the Proposed Transaction

A$'000s	Source	Low	High
Enterprise value of the Star Vegas (going concern basis)	Table 8.4	36,663	38,676
Enterprise value of the Aristo (going concern basis)	Table 8.4	51,343	53,398
Value of corporate overheads	Table 8.6	(16,400)	(16,400)
Total enterprise value		71,606	75,673
Surplus assets and liabilities	Table 8.8	(21,525)	3,676
Total equity value		50,081	79,350
Number of shares outstanding	Section 5.5	1,235,389,382	1,235,389,382
Equity value - A$/share		0.041	0.064

Source: BDOCF analysis

Having regard to the above, we have calculated a valuation range under our summation methodology of A$0.041 to A$0.064.

8.4 Valuation of Donaco based on share transactions

Our valuation of Donaco using share transactions prior to the Proposed Transaction is set out as follows:

- Section 8.4.1 sets out Donaco's recent share trading data;

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- Section 8.4.2 sets out Donaco's liquidity of ordinary shares; and
- Section 8.4.3 sets out our view as to the value of Donaco prior to the Proposed Transaction based on share transactions.

8.4.1 Analysis of **Donaco's** share trading data

Donaco's ordinary shares are listed on the ASX and trade under the ticker 'DNA'. Information relating to the recent share trading data of Donaco's ordinary shares along with an analysis of recent announcements made by Donaco to the ASX are set out in Section 5.6 of this Report.

For the purposes of our valuation, we have assessed the VWAP of Donaco shares over 1 week, 1 month, 3 months, 6 months, 9 months and 12 months prior to and including 14 March 2025, being the last date Donaco traded prior to the announcement of the Proposed Transaction.

Table 8.10: **Donaco's** VWAP for specified periods prior to and including 14 March 2025

Period up to and including 14 March 2025	Daily Low VWAP ($)	VWAP ($)	Daily High VWAP ($)
1 Week	$0.0300	$0.0310	$0.0320
1 Month	$0.0290	$0.0303	$0.0320
3 Month	$0.0260	$0.0303	$0.0339
6 Month	$0.0260	$0.0292	$0.0339
9 Month	$0.0260	$0.0301	$0.0388
12 Month	$0.0260	$0.0319	$0.0390

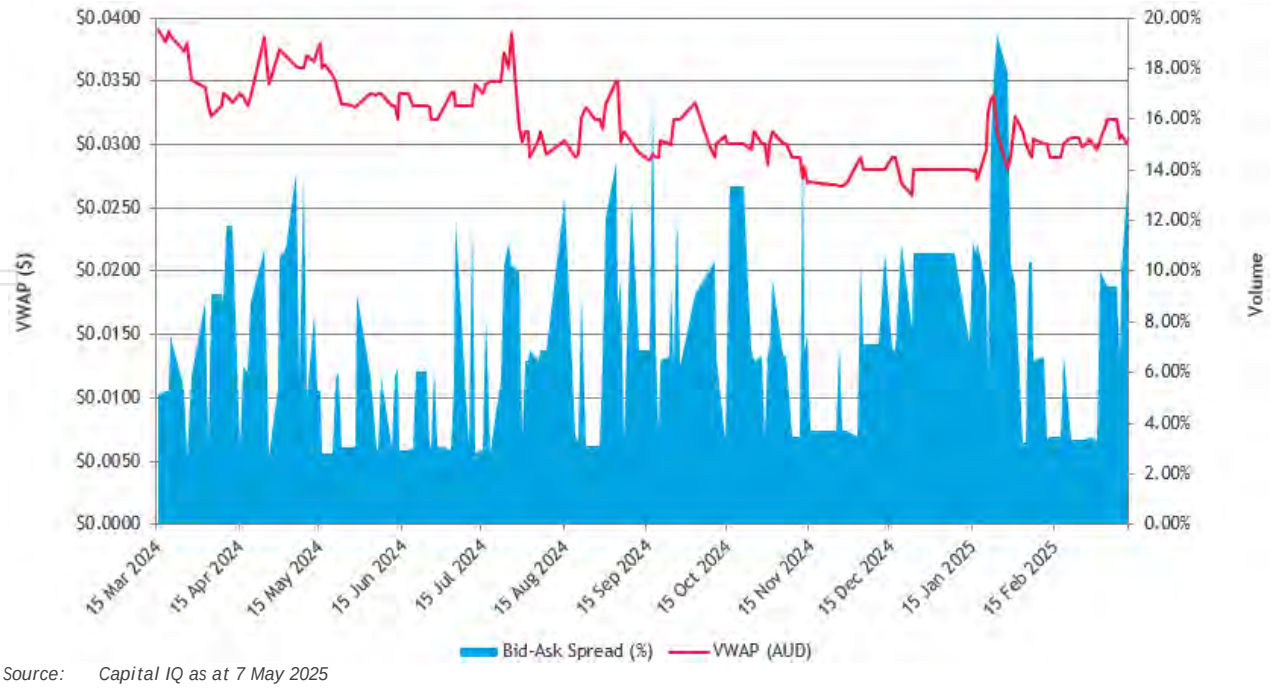
Source: Capital IQ as at 30 May 2025

In addition to Table 8.10 above, we note in Figure 5.4 we have called out a price sensitive announcement[96] that occurred on 26 July 2024. Table 5.8 shows that the low daily VWAP from 1 August 2024 to 14 March 2025 was A$0.0260 and the high daily VWAP was A$0.0350.

8.4.2 Liquidity of Donaco Shares

Information on the liquidity of Donaco shares is set out in Section 5.6.2 of this Report. Table 5.8 shows that over the period from 1 April 2024 to 14 April 2025, approximately 4.71% of Donaco's total shares on issue were traded. Figure 8.1 below sets out the difference between the closing bid and ask price over the last 12-months prior to 14 March 2025.

Figure 8.1: **Donaco's Spread between closing Bid and Ask price for the 12**-months ended 14 March 2025



Source: Capital IQ as at 7 May 2025

[96] Donaco released the Company's results for the June 2024 quarter and announced that on 28 March 2024, the Thailand Government voted in favour of a study panel of lawmakers to allow casinos to operate within large entertainment complexes in Thailand. This study was to be submitted to the Thailand Government for a decision on the suitability of legalising casinos in Thailand and may impact the Star Vegas' operations. For completeness, we note this legislation was approved in principle in January 2025. Donaco also announced that the Aristo is undergoing a tax audit of unredeemed chips (chips customers deposit at Aristo), and the Vietnam General Department of Taxation has deemed the chips as Donaco's revenue which could amount to potential tax payments of ~US$5.9 million.

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Having regard to the information set out in Figure 8.1 above, we note that the historical average bid-ask spread has been 6.98% for the 12-month period prior to the announcement date (i.e. 17 March 2025). Over the period graphed in Figure 8.1 above, Donaco's closing daily bid-ask spread displays a period low of 2.60% on 26 March 2024 and a period high of 19.35% on 24 January 2025.

In our view, while Donaco's shares display a relatively low level of liquidity, Donaco's level of liquidity is nonetheless appropriate for considering share transactions in this Report.

8.4.3 Conclusion on share transaction approach

Having regard to the information set out above, in our view it is appropriate to adopt a value of A$0.0260 to A$0.0350 per Donaco ordinary share on a minority interest basis based on share transactions. The low end of our range reflects daily low VWAP (from 3 months to 12 months) up to and including 14 March 2025. The high end of our range reflects the daily high VWAP from 1 August 2024 (we have picked this date as it follows the market sensitive announcement made by Donaco on 26 July 2024 – refer Table 5.6 for additional information) to 14 March 2025.

In considering a comparison of Donaco's share transactions to our summation method, in our view it is not unusual to expect the share transaction values to be at a discount to the summation method valuation range. The reason for this is that share prices from market trading typically do not reflect the market value for control of a company while our summation method valuation range is on a controlling interest basis. A controlling interest in a company is generally regarded as being more valuable than that of a minority interest as it may provide the owner with:

- Control over the operating and financial decisions of the company;
- The right to set the strategic direction of the company;
- Control over the buying, selling and use of the company's assets; and
- Control over the appointment of staff and setting of financial policies.

The increase in value for a controlling interest is often observed where an acquirer launches a takeover bid, or some other mechanism for control, for another company. Empirical research suggests that control premiums are typically within the range of 20% to 40%. We have set out additional information on our control premium research in Appendix B.

Applying a 30% control premium to our minority share price range of A$0.0260 to A$0.0350 results in a value of A$0.0338 to A$0.0455 on a controlling interest basis.

8.5 Guideline comparable method

Our valuation of Donaco using the guideline comparable method is set out as follows:

- Section 8.5.1 sets out an overview of our approach;
- Section 8.5.2 sets out our view on the maintainable earnings of Donaco;
- Section 8.5.3 sets out the multiples implied by the enterprise value of Donaco's operating assets and our view on maintainable earnings;
- Section 8.5.4 sets out a comparison of our implied multiples and the broadly comparable trading and transaction multiples;
- Section 8.5.5 sets out our view on the reasonableness of the implied multiples; and
- Section 8.5.6 sets out our conclusion on the guideline comparable approach.

8.5.1 Overview of our guideline comparable approach

As a cross-check to our summation valuation method, we have considered the guideline comparable methodology. Specifically, we have calculated the implied EBITDA multiple based on our summation valuation methodology and benchmarked these against broadly comparable companies and transactions.

8.5.2 Maintainable earnings of the Aristo and the Star Vegas

To determine an appropriate maintainable EBITDA for Donaco, for the purposes of our valuation cross-check, we have separately considered the earnings of the Aristo and the Star Vegas. Specifically, we have considered the historical reported EBITDA of the operating assets, the assets year-to-date results, budgeted financial performance and operating environment.

We have sourced the financial information from Donaco's historical investor presentations (released on the ASX). We note that Donaco is ultimately responsible for the financial information. BDOCF has not performed any audit or review of any type on the historical financial information of Donaco, and we make no statement as to the accuracy of the information.

Table 8.11 below sets out the historical reported EBITDA of the Aristo from FY13 to FY24, the actual performance for the 6 months ended 31 December 2024 and the FY25 budgeted performance.

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Table 8.11: **The Aristo's** Reported EBITDA (100% Basis)

A$ millions	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	YTD25[1]	FY25B
EBITDA	7.74	8.93	6.40	11.70	14.70	14.50	10.80	4.90	(0.90)	(0.20)	1.50	8.40	7.16	9.06

Source: Donaco's Investor Presentation ASX Announcements, Donaco's March 2025 Quarterly Report, Management, BDOCF

1 YTD25 refers to the 9 months ended 31 March 2025.

Having regards to Table 8.11 above, in our opinion, it is appropriate to adopt an annual maintainable EBITDA figure for the Aristo (on a 100% basis) of A$9.0 million for the purposes of our valuation cross-check set out in this Report. In forming our view, we have considered:

- The financial performance of Aristo in FY24, its first full year of trading post-COVID-19, which resulted in A$8.4 million in earnings;
- The extrapolated year-to-date performance of Aristo, which indicates an annual EBITDA of approximately A$9.6 million; and
- Having regard to the leadership changes at the Donaco corporate level and the uncertainties surrounding Aristo's current and future operating environment, we believe it is more appropriate to rely on the more recent performance of the business relative to the higher EBITDA figures being generated between FY16 to FY19 pre COVID-19.

Notwithstanding the above, we note that our valuation cross-check is based on Donaco's enterprise value (adjusted to reflect its 95% ownership of the Aristo). In line with this, we have also adjusted the annual maintainable EBITDA to a 95% interest basis, resulting in an adopted figure of approximately A$8.6 million (i.e. 95% of A$9 million).

Table 8.12 below sets out the historical reported EBITDA of the Star Vegas from FY16 to FY24, the actual performance for the 6 months ended 31 December 2024 and the FY25 budgeted performance.

Table 8.12: The **Star Vegas'** Reported EBITDA

A$ millions	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	YTD25[1]	FY25B
EBITDA	66.57	61.19	38.67	26.41	11.01	4.24	(0.19)	10.82	16.67	11.58	17.15

Source: Donaco's Investor Presentation ASX Announcements, Donaco's March 2025 Quarterly Report, Management, BDOCF Analysis

1 YTD25 refers to the 9 months ended 31 March 2025.

Having regards to Table 8.12 above, in our opinion, it is appropriate to adopt an annual maintainable EBITDA figure for the Star Vegas of A$16.0 million for the purposes of our valuation cross-check set out in this Report. In forming our view, we have considered:

- The financial performance of the Star Vegas in FY24, its first full year of trading post-COVID-19, which resulted in A$16.7 million in earnings;
- The extrapolated half-year performance of the Star Vegas, which indicates an annual EBITDA of approximately A$15.4 million; and
- Having regard to the leadership changes at the Donaco corporate level and the uncertainties surrounding the Star Vegas' current and future operating environment, we believe it is more appropriate to rely on the more recent performance of the business.

Having regard to our analysis set out above, we have adopted total EBITDA for Donaco's operating assets of approximately A$24.6 million (being the sum of the EBITDA of the Aristo and the Star Vegas of approximately A$8.6 million and A$16 million respectively).

Notwithstanding the above, as set out in Section 8.3.2, we are of the view that Donaco's 'normal level' of corporate overheads is approximately A$3.0 million per annum[97]. After deducting these from the adopted EBITDA of Donaco's operating assets (A$24.6 million), we arrive at our adopted EBITDA for Donaco as a whole of approximately A$21.6 million.

8.5.3 Multiples implied by our summation valuation

Table 8.13 below sets out our calculation of the EBITDA multiple implied by our summation valuation.

Table 8.13: Implied EBITDA Multiple

A$'000s	Reference	
Enterprise value of Donaco[1]	Table 8.9	73,640
Adopted EBITDA of Donaco	Section 8.5.2	21,550
Implied EBITDA multiple		3.42

Source: BDOCF Analysis

1. As set out in Table 8.9, we have calculated an enterprise value of Donaco of in the range of approximately A$71.6 million to A$75.7 million based on our summation valuation with a midpoint of approximately A$73.6 million.

[97] For completeness, we note we have included ASX listing costs in this corporate overhead figure to align with the other trading companies we are using as a comparison.

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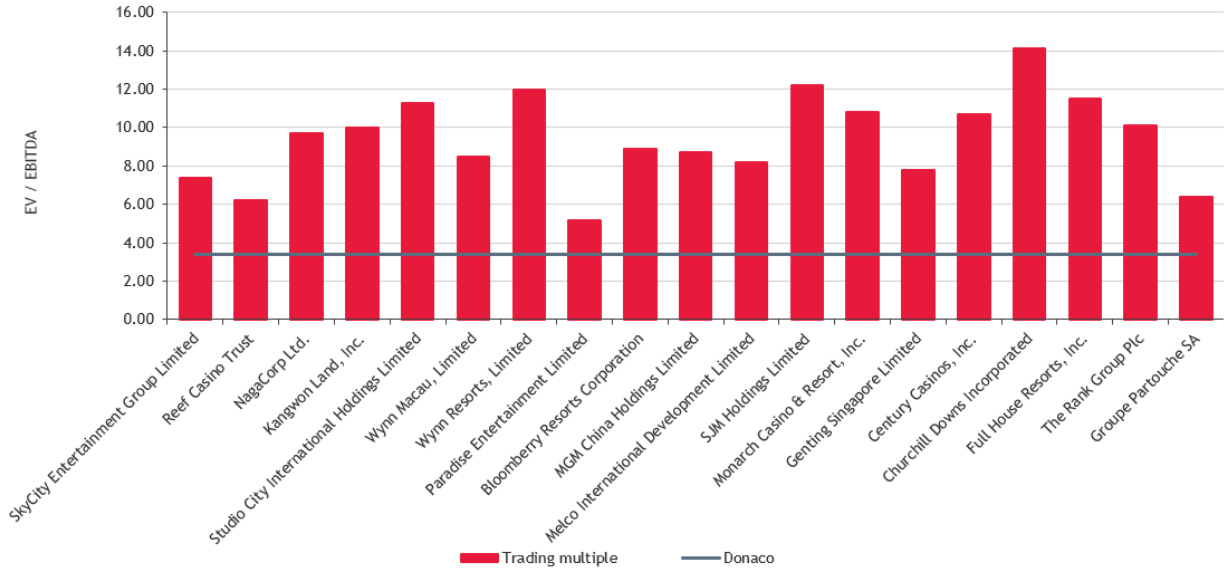
8.5.4 Comparison of our implied multiples and broadly comparable trading and transaction multiples

In Figure 8.2 and Figure 8.3 below, we have set out our implied EBITDA multiple of Donaco in comparison with broadly comparable trading and transaction multiples. For more information on the trading and transaction multiples, refer to Appendix C.

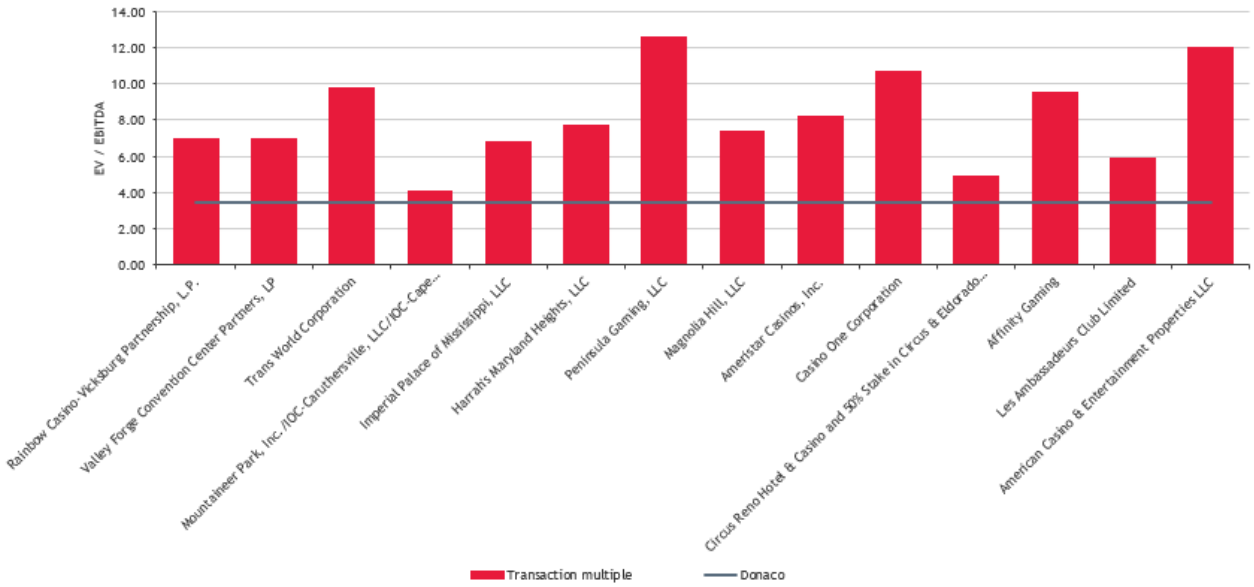
Figure 8.2: Implied Donaco EBITDA multiple and broadly comparable trading multiples



Source: BDOCF Analysis

1 The enterprise value of trading companies used to calculate the multiples in the above figure are inclusive of a 30% equity control premium. Refer to Appendix C for further information.

Figure 8.3: Implied Donaco EBITDA multiple and broadly comparable transaction multiples



Source: BDOCF Analysis

Having regard to Figure 8.2 and Figure 8.3 above, we note Donaco is below the range of the broadly comparable trading multiples (5.2x to 14.1x) and below the range of broadly comparable transaction multiples (4.1x to 12.6x). In Section 8.5.5 below we have set out additional commentary on possible reasons for the implied multiple being below the comparable data.

8.5.5 Commentary on the implied multiple relative to the comparable data

As mentioned above, the Donaco EBITDA multiple implied by our summation valuation are below the comparable trading and transaction multiples. We have set below, general and asset specific factors which may explain the gap between the implied multiples and the comparable data.

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General factors contributing to a lower multiple

As part of our guideline comparable method, we have researched listed companies and transactions involving comparable assets. Our analysis has focused on companies operating within the Hotels, Restaurants & Leisure industry, particularly the Casinos & Gaming sub-industry.

In considering comparable trading multiples, we note that while these provide valuable insights and are broadly relevant to Donaco's operating assets, there are key differences that limit direct comparability. Specifically:

- Most comparable companies are significantly larger than Donaco's assets, both in terms of enterprise value and physical scale (i.e. number of hotel towers, rooms, gaming tables, and machines);
- The revenue and earnings growth profiles of the comparable companies differ from those of Donaco's assets; and
- Several comparable companies offer a broader and more diversified range of products and services.

With regard to transaction multiples, we acknowledge that transaction prices can provide relevant evidence of valuation multiples. However, each transaction is influenced by a variety of factors, some of which may not be applicable to Donaco's operations. These include:

- Broader economic conditions;
- General investment and market sentiment;
- Strategic value to the acquirer;
- Synergistic benefits unique to the buyer; and
- The competitive landscape and number of interested parties.

Further, appropriate multiples should reflect a range of company and industry-specific factors, including:

- Historical performance and the quality of earnings;
- Key asset metrics such as size, market position, service offering, and financial performance;
- Current and prospective business challenges, including growth potential and competitive dynamics; and
- Potential synergies available to acquirers capable of integrating a target companies' assets into their operations.

We also note that, of all the comparable trading and transaction companies considered, none have operations in Vietnam, and only one (NagaCorp Ltd) has operations in Cambodia.

Asset specific factors contributing to a lower multiple

Aristo

With regards to factors specific to the Aristo which may contribute to the observed discount in Donaco's implied valuation multiple, we note:

- Regulatory and political uncertainty: The Aristo is currently subject to a taxation dispute with the Vietnamese General Department of Taxation regarding the treatment of floating chips. The dispute has resulted in a recognised liability of A$8.8 million, creating uncertainty that would likely be reflected in a discount to value;
- Constrained growth potential: The Aristo operates under a capped gaming licence that limits its gaming operations to eight tables and 150 slot machines and 150 video gaming machines. This cap constrains potential upside and limits the scalability of operations;
- Asset impairments: In FY23, Donaco recorded an impairment charge of A$22.2 million against the Aristo's assets due to underperformance and rising discount rates. Although this was partially reversed in FY24, it signals a history of volatile performance and heightened perceived risk;
- Geographic isolation and limited tourism appeal: The Aristo is located in a relatively remote border town that lacks broader tourism infrastructure. It primarily serves gambling-focused visitors, with minimal attraction for leisure travellers or international tourists seeking a wider hospitality experience;
- Geopolitical reliance: The Aristo's patronage is primarily dependent on Chinese tourists from Yunnan Province. The reliance on a single geographic source of visitors increases the risk profile relative to more diversified operations; and
- Minority interest in joint venture: The Aristo is held under a joint venture with a Vietnamese state-owned entity, which holds a 5% interest. This structure may reduce strategic flexibility and dilute value compared to wholly owned assets.

Star Vegas

With regards to factors specific to the Star Vegas which may contribute to the observed discount in Donaco's implied valuation multiple, we note the following:

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- Cross-border dependence: The Star Vegas is heavily reliant on Thai nationals crossing the border into Cambodia to access the facility, given the prohibition on gambling in Thailand. This dependence introduces a concentration risk, with limited geographic diversification;
- Regulatory legislation in Thailand: The Thai Government is actively progressing legislation to legalise casino operations within domestic entertainment complexes. If enacted, this would likely reduce cross-border visitation and materially impact the Star Vegas' future earnings potential;
- Operational disruptions due to electricity cuts: In response to illegal online gambling and scams, Thai authorities have begun cutting electricity and internet along the Thai-Cambodian border, including Poipet. These actions have already disrupted operations at the Star Vegas and may persist or escalate, further affecting business continuity;
- Geographic positioning and limited non-gaming appeal: Similar to the Aristo, the Star Vegas is located in a remote border region with limited natural or cultural attractions. It does not form part of a broader tourism ecosystem and attracts mainly gambling-focused clientele, limiting scope for diversified income streams such as conferences, entertainment, or family travel;
- Increased competition from former owners: As part of the settlement with the Thai Vendors, the non-compete and non-solicitation provisions previously binding the Thai Vendors were removed. This has enabled the Thai Vendors (who have local expertise and operational knowledge) to re-enter the market. Their potential to develop or support competing venues in the region presents a credible threat to Star Vegas's market share and future profitability; and
- Capital requirements legislation: Cambodia's casino industry is now subject to staged capital requirements, with a minimum capital threshold of US$100 million to be satisfied by 2036. This regulatory change may require future capital injections and reduce free cash flow certainty.

8.5.6 Conclusion on guideline comparable method

Having regard to the information set out in Section 8.5 above, we are of the view that the multiples implied by our summation valuation do not appear unreasonable.

8.6 Conclusion on the value of Donaco shares

In our view, for the purpose of our assessment of the Proposed Transaction set out in this Report, it is appropriate to adopt a value in the range of A$0.041 to A$0.064 per Donaco share on a controlling interest basis. This valuation range was determined having regard to our summation methodology. We believe this value is appropriate having regard to the work of Knight Frank and the other information available for us to utilise for our summation valuation, and the share transactions and guideline comparable method cross-checks we have applied.

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APPENDIX A: GLOSSARY

Reference	Definition
A$ or $	Australian dollars
ABV	Asset-based valuation
ACFA	Australian Financial Complaints Authority
AEST	Australian Eastern Standard Time
AGM	Annual general meeting
APES 225	Accounting Professional and Ethical Standards Board professional standard APES 225 *Valuation Services*
Aristo, the	The Aristo International Hotel located in Lao Cai, Thailand
Aristo Valuation Report, the	The Knight Frank independent property specialist report for the Aristo dated 4 June 2025
ASIC	Australian Securities and Investment Commission
ASM	Argyle Street Management Limited
ASX	Australian Securities Exchange
BDO Persons	The partners, directors, agents or associates of BDO
BDOCF	BDO Corporate Finance Ltd
Board, the	The board of directors of the Company
CAPM	Capital asset pricing model
Cash Consideration, the	The cash consideration of $0.045 per Donaco share offered by ONR
CEO	Chief Executive Officer
CGMC, the	The Commercial Gambling Management Commission
Company, the	Donaco International Limited
CAGR	Compound annual growth rate
CME	Capitalisation of maintainable earnings
Corporations Act, the	The Corporations Act 2001
Court Date, the	The first date in which the court hears the application to approve the Scheme
DCF	Discounted cash flow
Directors, the	The Directors of the Company
DNA Star Vegas	DNA Star Vegas Co. Ltd
Donaco	Donaco International Limited
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EV	Enterprise value
Model, the	Financial Model provided by Donaco and dated 25 March 2025
FCFE	Forecast free cash flow to equity
FCFF	Forecast free cash flow
FSG	Financial Services Guide
FY	The financial year or 12-month period ended on 30 June

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Reference	Definition
GCB	Going concern basis
GDT, the	The General Department of Taxation
GGR	Gross gaming revenue
GICS	Global Industry Classification Standard
IVSC	International Valuation Standards Council
iSentric	iSentric Sdn Bhd
Knight Frank	Knight Frank Petty Limited
Knight Frank Reports, the	The Knight Frank independent property specialist reports dated 4 June 2025
Lao Cai International Hotel Joint Venture, the	Joint venture between Donaco and the Vietnamese government owned entities
Lao Cai International Hotel Valuation Report, the	The Knight Frank independent property specialist report for the Lao Cai International Hotel dated 4 June 2025
Litigation, the	The legal dispute between Donaco and the Thai Vendors
LTM	Last-twelve months
Management	The Board of Directors, the executives and the management team of Donaco
Mega Bank	Mega International Commercial Bank Co, Ltd
MBV	Market-based valuation
Non-Associated Directors	The directors of the Company not associated with ONR
Non-Associated Shareholders, the	The holders of fully paid ordinary shares in the Company not associated to ONR
NPAT	Net profit after tax
NPV	Net present value
NSW	New South Wales
NTM	Next-twelve month
OCP 1	OL Master (Singapore Fund 1) Pte
ONR	On Nut Road Limited (the bidder of the Proposed Transaction)
Proposed Transaction, the	The proposed acquisition of 100% of the issued share capital in Donaco which ONR does not already hold
Regulations, the	The Corporation Regulations 2001
Report, this	This independent expert's report prepared by BDOCF and dated 4 June 2025
RG 111	Regulatory Guide 111: *Content of Expert Reports*, issued by ASIC
RGs	Regulatory guides published by ASIC
Scheme, the	The scheme arrangement between Donaco and ONR, in which ONR will acquire 100% of the issued capital in Donaco that it does not already own
Scheme Booklet, the	The scheme booklet prepared by Donaco in relation to the Scheme and dated on or about 20 June 2025
Scheme Meeting, the	The scheme meeting to be held on or about 4 August 2025 at 10 am AEST
Settlement Agreements, the	Settlement agreements between Donaco and the Thai Vendors
Shareholders, the	The holders of fully paid ordinary shares in the Company
SID, the	Scheme Implementation Deed dated 16 March 2025

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Reference	Definition
Star, The	The Star Entertainment Group located in New South Wales and Queensland
Star Vegas, the	The Star Vegas Resort & Club located in Poipet, Cambodia
Star Vegas Valuation Report, the	The Knight Frank independent property specialist report for the Star Vegas dated 4 June 2025
Takeovers Panel, the	The Australian Government's Takeovers Panel
Thai Vendors, the	Somboon Sukcharoenkaisri, Lee Bug Tong, Lee Bug Huy, Lee Hoe Property Co Ltd, Paramax Co Ltd and related persons
Undisturbed Date, the	14 March 2025, being the trading day prior to the announcement date of the SID
UNODC	United Nations Office on Drugs and Crime
US$	United States dollars
VAT	Value added tax
Vendors, the	Mr Somboon Sukjaroenkraisi and Mr Lee Bug Tong
VIP	Very important person
VPB	Vacant possession basis
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
We, us, our	BDO Corporate Finance Ltd

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APPENDIX B: CONTROL PREMIUM ANALYSIS

A controlling interest in a company is usually regarded as being more valuable than a minority interest as it provides the owner with control over the operating and financial decisions of the company, the right to set the strategic direction of the company, control over the buying, selling and use of the company's assets, and control over appointment of staff and setting financial policies.

The increase in value for a controlling interest is often observed where an acquirer launches a takeover bid, or some other mechanism for control, for another company. For the purposes of our research on control premiums, we have defined a controlling interest to be an interest where the acquirer has acquired a shareholding of greater than 50% in the target company.

Generally, control premiums may be impacted by a range of factors including the following:

- Specific acquirer premium and/or special value that may be applicable to the acquirer;
- Level of ownership in the target company already held by the acquirer;
- Market speculation about any impending transactions involving the target and/or the sector that the target belongs to;
- The presence of competing bids; and
- General market sentiment and economic factors.

To form our view of an appropriate range of control premium applicable to Donaco for the purposes of this Report, we have considered information which includes:

- Recent independent expert's reports which apply control premiums in the range of 20% to 40%;
- Various industry and academic research, which suggests that control premiums are typically within the range of 20% to 40%;
- Our own research on control premiums implied by the trading data of ASX listed companies. The average and median control premium found in our research are approximately within the range of 20% and 40%, based on one-day, one-week, and one-month prior trading prices;
- Various valuation textbooks; and
- Industry practice.

Having regard to the information set out above, in our view, it is appropriate to consider control premiums within the range of 20% to 40% for the purposes of assessing the Proposed Transaction within the context of this Report.

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APPENDIX C: COMPARABLE TRADING COMPANIES AND PRECEDENT TRANSACTION ANALYSIS

This section sets out information in relation to comparable companies that we consider broadly comparable to Donaco. The information set out below includes a summary of the information that we have considered and the assumptions that we have adopted. This section is set out as follows:

- Section C.1 summarises trading multiples and descriptions for those listed companies we consider broadly comparable to Donaco in addition to providing an overview of each company; and
- Section C.2 summarises transaction multiples and descriptions of transactions where we consider the target to be broadly comparable to Donaco.

C.1 Trading multiples of comparable companies

It is useful to analyse the current trading multiples of exchange listed comparable companies to assist with the determination of an appropriate capitalisation multiple. Comparable trading multiples need to be treated with caution as not all companies operating in comparable industries can be readily compared to Donaco. With this as a caveat, the usual step in applying a multiple based valuation methodology is to construct a multiple from market information. The multiple is then adjusted for specific company differentiators.

As Donaco has been valued on a controlling interest basis in this Report, we have adjusted the enterprise values of the comparable companies to include a 30% control premium. This adjustment reflects the fact that the market value of trading companies is generally on a minority interest basis, and therefore at a discount. This adjustment allows for a more accurate like-for-like comparison between Donaco (on a controlling interest basis) and companies in the comparator group.

Table C.1 and C.2 below set out the metrics and descriptions of the companies considered broadly comparable to Donaco. For Table C.1 specifically, we have considered each listed companies' EBITDA and revenue as calculated by CapIQ based on each company's last twelve months ('LTM') of published financial reports, including quarterly and/or mid-year financial results where applicable.

For completeness, we note that, when considering multiples with regard to each listed company's EBITDA and revenue as calculated by CapIQ based on the most recently published annual results, the multiples are broadly similar. We further note that a next-twelve-month ('NTM') methodology has not been considered, as little forecast EBITDA or revenue data was available on CapIQ for the list of broadly comparable companies.

Table C.1: Broadly comparable trading company multiple

Company	Financial reporting period[1]	Country	Enterprise Value[2] ($m)	EBITDA ($m)	Revenue ($m)	EBITDA multiple (x)	Revenue multiple (x)
Donaco International Limited	Dec 24	Australia	47	24	42	2.0x	1.1x
Australia and New Zealand							
SkyCity Entertainment Group Limited	Dec 24	New Zealand	1,543	209	761	7.4x	2.0x
The Star Entertainment Group Limited	Dec 24	Australia	699	(25)	1,536	NM[3]	0.5x
Reef Casino Trust	Dec 24	Australia	96	15	26	6.2x	3.7x
Asia							
MGM China Holdings Limited	Dec 24	Macau	14,540	1,677	6,530	8.7x	2.2x
Wynn Macau, Limited	Dec 24	Macau	13,892	1,635	5,979	8.5x	2.3x
Melco International Development Limited	Dec 24	Hong Kong	13,648	1,669	7,525	8.2x	1.8x
SJM Holdings Limited	Dec 24	Hong Kong	9,325	762	5,985	12.2x	1.6x
Genting Singapore Limited	Dec 24	Singapore	8,743	1,118	2,996	7.8x	2.9x
Studio City International Holdings Limited	Mar 25	Hong Kong	4,434	393	1,043	11.3x	4.2x
Kangwon Land, Inc.	Mar 25	South Korea	3,937	395	1,551	10.0x	2.5x
Bloomberry Resorts Corporation	Mar 25	Philippines	3,912	441	1,530	8.9x	2.6x
NagaCorp Ltd.	Dec 24	Cambodia	3,881	399	854	9.7x	4.5x
Paradise Entertainment Limited	Dec 24	Hong Kong	464	89	226	5.2x	2.1x
Wynn Resorts, Limited	Mar 25	United States	33,485	2,797	11,168	12.0x	3.0x
Churchill Downs Incorporated	Mar 25	United States	21,311	1,508	4,467	14.1x	4.8x

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Monarch Casino & Resort, Inc.	Mar 25	United States	3,035	282	803	10.8x	3.8x
The Rank Group Plc	Dec 24	United Kingdom	1,802	178	1,566	10.1x	1.2x
Century Casinos, Inc.	Mar 25	United States	1,795	168	867	10.7x	2.1x
Full House Resorts, Inc.	Mar 25	United States	1,005	87	448	11.5x	2.2x
Groupe Partouche SA	Oct 24	France	738	115	719	6.4x	1.0x
Mean[4]			7114	696	2829	9.5x	2.6x
Median[4]			3897	394	1533	9.7x	2.3x
Min[4]			96	(25)	26	5.2x	0.5x
Max[4]			33485	2797	11168	14.1x	4.8x

Source: Capital IQ as at 29 May 2025, BDOCF analysis

1: Being the most recent financial data available (i.e. latest quarter or year) on Capital IQ

2: Enterprise values adopted in this Report include a 30% control premium applied to the equity value

3: NM = Not meaningful

4: Excluding Donaco

Although the companies listed in Table C.1 above may be considered broadly comparable to Donaco, differences exist between Donaco and each of the comparable companies. Specifically, we note that:

- The companies in Table C.1 are larger in size compared to Donaco in terms of enterprise value;
- Donaco operates primarily in Cambodia and Vietnam, while the geographic regions in which most of the companies operate extend beyond these countries, mainly in regulated, higher-profile markets (i.e. Macau, USA, Australia);
- Whilst the operations of these comparable companies align with Donaco's, the weighting of each component (i.e. gaming, hotel, and entertainment) varies. Some focus more on large-scale hotels with smaller gaming floors, while others are gaming-centric with limited accommodation;
- Most companies in Table C.1 have a more diversified customer base compared to Donaco, which relies heavily on cross-border customers; and
- Many of the comparable companies are listed on different exchanges compared to Donaco.

Our analysis of the companies listed in Table C.1 has highlighted a number of differences between those companies and Donaco. On balance, all other things being equal, we would expect that given the differences highlighted above, Donaco would attract a lower multiple than the majority of the companies listed in Table C.1.

Table C.2: Description of broadly comparable trading companies

Company	Description
Australia and New Zealand	
SkyCity Entertainment Group Limited	SkyCity Entertainment Group Limited, together with its subsidiaries, operates in the gaming, entertainment, hotel, convention, hospitality, and tourism sectors in New Zealand and Australia. It operates through Skycity Auckland, SkyCity Adelaide, Other NZ Operations, and Online segments. The company operates casinos, hotels, conventions, food and beverage, entertainment and attractions, day spas, tenpin bowling and wellness centres, car parking, sky tower, theaters, telecommunications and broadcasting facilities, and office/retail spaces located in Auckland, Hamilton, Queenstown, and Adelaide. It also operates SkyCity Online Casino, an offshore online casino platform for New Zealand customers. The company was incorporated in 1994 and is headquartered in Auckland, New Zealand.
The Star Entertainment Group Limited	The Star Entertainment Group Limited operates and manages integrated resorts in Australia. It operates through three segments: Sydney, Gold Coast, and Brisbane. The company owns and operates The Star Sydney and The Star Gold Coast, which include hotels, restaurants, bars, theatres, and other entertainment facilities. It also manages the Gold Coast Convention and Exhibition Centre, as well as operates the Star Grand hotel. The company was formerly known as Echo Entertainment Group Limited and changed its name to The Star Entertainment Group Limited in November 2015. The Star Entertainment Group Limited was incorporated in 2011 and is based in Brisbane, Australia.
Reef Casino Trust	Reef Casino Trust operates as an owner and lessor of the Reef Hotel Casino complex located in Cairns in North Queensland, Australia. The company offers various dine options comprising Tamarind Restaurant, Soy Kitchen Street Food, Merchant Café, and Flinders Bar and Grill restaurants. It also provides venues, including Lihou bar, Bar36, tamarind private dining, casino sports arena, events and conferences, and weddings venues. The company was founded in 1993 and is based in Cairns, Australia. Reef Casino Trust operates as a subsidiary of Reef Casino Investments Pty Ltd.
Asia	
MGM China Holdings Limited	MGM China Holdings Limited, an investment holding company, engages in the development, ownership, and operation of gaming and lodging resorts in the Greater China region. The company develops and operates casino games of chance and other casino games, and related hotel and resort facilities, as well as provides hotel management services; and develops integrated resorts in Macau. It owns and operates MGM Macau, an integrated resort that includes a casino with slot machines, gaming tables, multiple VIP, and private gaming areas; a hotel with rooms, suites, and villas; and amenities, including restaurants, retail outlets, pool, and spa facilities, as well as a convention space. The company also owns MGM Cotai, a resort that consists of a casino with slot machines and gaming tables; hotel with rooms, suites, and skylofts; restaurants and bars; retail outlets; and

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	meeting space, as well as other non-gaming offerings. In addition, it is involved in the provision of outsourcing services, including information technology, accounting, human resources, hotel reservation, and convention consultation. The company was incorporated in 2010 and is headquartered in Macau. MGM China Holdings Limited operates as a subsidiary of MGM Hospitality International Holdings, Ltd.
Wynn Macau, Limited	Wynn Macau, Limited engages in the development, ownership, and operation of integrated destination casino resorts in the People's Republic of China. It operates through two segments, Wynn Palace and Wynn Macau. The company offers tables games, slot machines or similar gaming devices; offers 24-hour gaming, and various games comprising private gaming salons and sky casinos; a luxury hotel with guest rooms, suites, and villas; food and beverage outlets; brand-name and retail shopping; recreation and leisure facilities, including a cable car ride through SkyCab, health club, spa, salon, and pool; and a meeting and convention spaces. It provides poker pit games; and public entertainment attractions, consisting of rotunda show featuring a Chinese zodiac-inspired ceiling along with gold tree of prosperity and dragon of fortune attractions, as well as performance lake. In addition, the company is involved in the development, design, and preconstruction activities, and offers technical consultancy, administrative activities, and management and support services. The company was incorporated in 2009 and is headquartered in Macau. Wynn Macau, Limited operates as a subsidiary of WM Cayman Holdings Limited.
Melco International Development Limited	Melco International Development Limited, an investment holding company, engages in the leisure and entertainment business in Macau, the Philippines, and Cyprus. It operates in two segments, Casino and Hospitality, and Others. The company develops, owns, and operates a network of casino gaming and entertainment resorts. It is also involved in the development and operation of integrated casino and related activities; and operation of satellite casinos. In addition, the company provides financing and management services. Further, it operates electronic gaming machines. The company was formerly known as The Macao Electric Lighting Company, Limited and changed its name to Melco International Development Limited in 1988. Melco International Development Limited was incorporated in 1910 and is headquartered in Central, Hong Kong.
SJM Holdings Limited	SJM Holdings Limited, an investment holding company, owns, develops, and operates casinos and related facilities in Macau. The company operates through two segments, Gaming Operations; and Hotel, Catering, Retail and Leasing Operations. The Gaming Operations segment engages in rolling, non-rolling, and electronic game gaming operations. The Hotel, Catering, Retail, and Leasing Operations segment operates and manages a hotel; and offers catering, leasing, retail, and related activities. It also provides marketing and promotion, property development preparation, casino operations management, dredging, customer, retail, human resources and project management, shopping mall management, food and beverage, treasury, management, and hospitality services. The company was incorporated in 2006 and is based in Central, Hong Kong. SJM Holdings Limited is a subsidiary of Sociedade de Turismo e Diversões de Macau, S.A.
Genting Singapore Limited	Genting Singapore Limited, an investment holding company, primarily engages in the development, management, and operation of integrated resort destinations in Asia. The company owns Resorts World Sentosa, a destination resort located on Singapore's resort island of Sentosa featuring S.E.A. Aquarium, an aquarium; Adventure Cove Waterpark, an aquatic park integrated with marine life; Universal Studios Singapore, a Universal Studios theme park; indoor and outdoor meetings, incentives, conferences, and exhibitions (MICE) venues; and various dining, retail, and entertainment options, as well as gaming and hotels. It also engages in the operation of casinos; and the provision of sales and marketing support services to leisure and hospitality related businesses, as well as investment activities. The company was incorporated in 1984 and is based in Singapore. Genting Singapore Limited operates as a subsidiary of Genting Overseas Holdings Limited.
Studio City International Holdings Limited	Studio City International Holdings Limited operates an entertainment resort in Macau. It operates Studio City Casino, comprising gaming tables, including tables for VIP rolling chip operations and gaming machines; and resort, which offers various non-gaming attractions, including figure-8 ferris wheel, night club and karaoke venue, live performance arena, and an outdoor and indoor water park, as well as hotel rooms and various food and beverage establishments, and retail space. The company was formerly known as Cyber One Agents Limited and changed its name to Studio City International Holdings Limited in January 2012. The company was founded in 2000 and is based in Central, Hong Kong. Studio City International Holdings Limited is a subsidiary of MCO Cotai Investments Limited.
Kangwon Land, Inc.	Kangwon Land, Inc. engages in the casino, tourist hotel, and ski resorts businesses in South Korea. Its business also covers condominium, golf course, and a water park. The company operates the Kangwon Land Casino with 200 game tables, 1,360 slot machines, and video games. It also operates the Kangwonland Hotel, Convention Hotel, High1 Hotel, Mountain Condominium, Valley Condominium, and Hill Condo; High1 Ski Resort; High1 CC public golf course; and a gambling addiction care center, as well as High1 sports teams. Kangwon Land, Inc. was founded in 1994 and is based in Jeongseon-eup, South Korea.
Bloomberry Resorts Corporation	Bloomberry Resorts Corporation, through its subsidiaries, develops, owns, and operates hotels, casinos, and integrated resorts in the Philippines and Korea. The company develops tourist facilities, such as casino-entertainment complexes with casino, hotel, retail and amusement areas, and themed development components. It also owns and operates the Solaire Resort & Casino, a hotel and gaming resort consists of slot machines, gaming tables, electronic table games, and specialty restaurants; hotel rooms, suites, and bayside villas; food and beverage outlets, including Chinese, Korean, and Japanese, and Italian restaurants, as well as international buffet/coffee shop, noodle shop, live entertainment lounge, food court, lobby bar, and lounge area; and multilevel parking building with parking slots, a spa and fitness center, and Bayview promenade. In addition, the company owns and operates the Sky Tower that consists of all-suite hotel; VIP gaming salons with gaming tables and slot machines; the bar for VIP patrons; meeting rooms with meeting facility, and boardrooms and pre-function area; a lyrical theater; the Waterside Restobar and Oasis Garden Café restaurants; shooting club with rifle shooting bays and pistol bays; and multi-level parking garage. Further, it operates Jeju Sun Hotel & Casino, including rooms, and gaming operation with tables and electronic gaming machines, as well as food and beverage outlets; and cruise terminals. The company was formerly known as Sureste Properties Inc. and changed its name to Bloomberry Resorts Corporation in March 212. Bloomberry Resorts Corporation was incorporated in 1999 and is based in Paranaque City, the Philippines. The company operates as a subsidiary of Prime Strategic Holdings, Inc.
NagaCorp Ltd.	NagaCorp Ltd., an investment holding company, manages and operates a hotel and casino complex in the Kingdom of Cambodia. The company operates in two segments, Casino Operations; and Hotel and Entertainment Operations. It owns, manages, and operates NagaWorld, an integrated hotel and entertainment complex that

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	consists of rooms and suites, gaming tables, and electronic gaming machines, as well as public and premium gaming halls, all-suite luxury spa, shopping gallery, food and beverage outlets and clubs, entertainment services, and meeting spaces, as well as hotel convention spaces. The company engages in the provision of management consulting; management of its aircraft; transportation support activities; travel agency services; provision of employment placement agency services; and asset holding activities. In addition, it is involved in agricultural production; property development and investment activities; operation of retail business; and operation of football club. NagaCorp Ltd. was founded in 1995 and is based in Phnom Penh, the Kingdom of Cambodia.
Paradise Entertainment Limited	Paradise Entertainment Limited, an investment holding company, primarily provides casino management services in Macau, the People's Republic of China, and the United States. It operates through Casino Management Services, Gaming Systems, and Innovative and Renewable Energy Solutions Business segments. The company operates Casino Kam Pek Paradise, a satellite casino that offers live multi game terminals, traditional gaming tables, and slot machines. It also engages in the development, sale, and leasing of electronic gaming equipment and systems. In addition, the company supplies smart charging stations and charging equipment for electric motorcycles, bicycles, vehicles, etc. Further, it provides management and consulting services; and properties holding, procurement, market development, and technology and software development services, as well as develops and sells healthcare products; and imports, exports, and sells frozen food products and packaged meats. The company was formerly known as LifeTec Group Limited and changed its name to Paradise Entertainment Limited in May 2007. The company was incorporated in 1996 and is headquartered in Central, Hong Kong. Paradise Entertainment Limited is a subsidiary of August Profit Investments Limited.
Other	
Wynn Resorts, Limited	Wynn Resorts, Limited designs, develops, and operates integrated resorts. It operates through four segments: Wynn Palace, Wynn Macau, Las Vegas Operations, and Encore Boston Harbor. The Wynn Palace segment operates private gaming salons and sky casinos; a luxury hotel tower with suites, and villas, including a health club, spa, salon, and pool; food and beverage outlets; retail space; meeting and convention space; and performance lake and floral displays. The Wynn Macau segment operates casino space with private gaming salons, sky casinos, and a poker room; a luxury hotel tower, that include health clubs, spas, a salon, and a pool; food and beverage outlets; retail space; meeting and convention space; and Chinese zodiac-inspired ceiling attractions. The Las Vegas Operations segment operates casino space with private gaming salons, a sky casino, a poker room, and a race and sports book; a luxury hotel tower with suites, and villas, including swimming pools, private cabanas, full-service spas and salons, and a wedding chapel; food and beverage outlets; meeting and convention space; retail space; and theaters, nightclubs, a beach club. The Encore Boston Harbor segment operates casino space with gaming areas, and a poker room; a luxury hotel tower including a spa and salon; food and beverage outlets and a nightclub; retail space; meeting and convention space; and a waterfront park, floral displays, and water shuttle service. Wynn Resorts, Limited was incorporated in 2002 and is based in Las Vegas, Nevada.
Churchill Downs Incorporated	Churchill Downs Incorporated operates live and historical racing entertainment venues, online wagering businesses, and regional casino gaming properties in the United States. It operates through three segments: Live and Historical Racing, Wagering Services and Solutions, and Gaming. The Live and Historical Racing segment engages in live and historical pari-mutuel racing related activities at Churchill Downs Racetrack and its historical racing properties in Kentucky, Virginia, and New Hampshire; provides racing event-related services, including admissions, personal seat licenses, sponsorships, television rights, and other miscellaneous services, as well as food and beverages services. The Wagering Services and Solutions engages in pari-mutuel wagers through TwinSpires, which operates the online horse racing wagering business for TwinSpires.com, BetAmerica.com, and other white-label platforms; facilitates dollar wagering; provides the Bloodstock Research Information Services platform for horse racing statistical data; offers streaming video of live horse races, replays, and an assortment of racing and handicapping information; and provides technology services to third parties. This segment also operates retail and online sports betting businesses, United Tote, which manufactures and operates pari-mutuel wagering systems for racetracks, OTBs, and other pari-mutuel wagering businesses, as well as provides totalizator services; and Exacta, which provides central determinant system technology in HRMs. The Gaming segment operates the casino properties and associated racetracks, which include slot machines, table games, video lottery terminals, video poker, HRMs, ancillary food and beverage services, hotel services, commission on pari-mutuel wagering, racing event-related services, and other miscellaneous operations. Churchill Downs Incorporated was founded in 1875 and is headquartered in Louisville, Kentucky.
Monarch Casino & Resort, Inc.	Monarch Casino & Resort, Inc., through its subsidiaries, owns and operates hotels and casinos. It owns and operates the Atlantis Casino Resort Spa in Reno, Nevada; and the Monarch Casino Resort Spa Black Hawk in Black Hawk, Colorado. The company also owns separate parcels of land. The company was incorporated in 1993 and is based in Reno, Nevada.
The Rank Group Plc	The Rank Group Plc, together with its subsidiaries, engages in provision of gaming services in Great Britain, Spain, and India. The company operates through Grosvenor Venues, Mecca Venues, Digital, and Enracha Venues segments. It also offers casino table games, including roulette, blackjack, baccarat, and poker, as well as electronic roulette, and slots machine games; and community games, such as bingo, slot machine games, food and drink, and live entertainment. In addition, the company operates digital channels, including live casino; social and bingo clubs. Further, it offers support services to interactive gaming; and property and marketing services; processes credit transfers; operates parking for social and bingo clubs; and develops and maintains online gaming software, as well as operates YoBingo, a digital bingo brand, as well as various other digital brands. The Rank Group Plc was formerly known as Megastorm Public Limited Company and changed its name to The Rank Group Plc in July 1996. The company was founded in 1937 and is based in Maidenhead, the United Kingdom. The Rank Group Plc is a subsidiary of Guoco Group Limited.
Century Casinos, Inc.	Century Casinos, Inc. operates as a casino entertainment company in the United States, Canada, and Poland. It develops and operates gaming establishments, as well as related lodging, restaurant, and horse racing including off-track betting; and entertainment facilities. The company was founded in 1992 and is based in Colorado Springs, Colorado.
Full House Resorts, Inc.	Full House Resorts, Inc. owns, leases, operates, develops, manages, and invests in casinos, and related hospitality and entertainment facilities in the United States. It operates through Midwest & South, West, and Contracted Sports Wagering segments. The company's properties include American Place in Waukegan, Illinois; Silver Slipper Casino and Hotel in Hancock County, Mississippi; Rising Star Casino Resort in Rising Sun, Indiana;

	Bronco Billy's Casino and Chamonix Casino Hotel in Cripple Creek, Colorado; Stockman's Casino in Fallon, Nevada; and Grand Lodge Casino, located within the Hyatt Regency Lake Tahoe Resort, Spa and Casino in Incline Village, Nevada. It also offers online sports wagering services. Full House Resorts, Inc. was incorporated in 1987 and is headquartered in Las Vegas, Nevada.
Groupe Partouche SA	Groupe Partouche SA, through its subsidiaries, operates casinos, hotels, restaurants, dancehalls, and bars in France, other European countries, and internationally. The company operates through three segments: Casino, Hotel, and Other Activities. Its casinos offer table games, such as the ball game; French, English, or American roulette; the battle game; punto banco; blackjack; stud poker; hold'em poker; Texas Hold'em Poker; Omaha Poker 4 high; bingo; electronic roulette, Blackjack, and Texas Hold'em Poker, as well as slot machines. The company also owns and operates gourmet and themed restaurants, spas, and golf courses; develops interactive television programs and mobile TV gaming offerings; interactive television games associated with online gaming offering; gaming and lotteries; and produces television programs and events. In addition, it operates Quarisma, a platform for the real-time management of quality services between customers and casino operators; and manages casino information systems, as well as hardware and data communication networks. Further, the company engages in real estate and sports betting businesses. The company was founded in 1903 and is headquartered in Paris, France. Groupe Partouche SA is a subsidiary of Financiere Partouche SA.

Source: Capital IQ, BDO analysis

C.2 Comparable transaction multiples

To assist us in determining the most appropriate capitalisation multiple to apply to the maintainable earnings of Donaco, it is useful to analyse recent sales transactions involving companies operating in a similar industry.

The price achieved in a sales transaction generally provides reliable evidence of earnings multiples for a valuation as it represents the market value of a controlling interest (including a control premium) in the asset being acquired. We note, however, that each sales transaction is a product of a combination of factors which may or may not be specific to the proposed transaction, including:

- Economic factors;
- Regulatory framework;
- General investment and share market conditions;
- Synergy benefits specific to the acquirer; and
- The number of potential buyers.

We have conducted research into transactions involving companies that operate in the entertainment and leisure industry. The information needs to be considered with caution for reasons which include the following:

- The transactions often involve companies that differ in size compared with Donaco;
- The transactions involve companies operating different product segments and allocations to Donaco; and
- The financial information available on each of the transactions is limited.

The results of our independent research, based on databases we subscribe to, is detailed in Table C.3 below.

A description of each of the target companies in the broadly comparable transactions set out in Table C.3 and Table C.4 below.

Table C.3 Historical comparable transactions

Target	Acquirer	Completion date	Implied EV ($m)	Implied historical EV/EBITDA	Implied historical EV/revenue
Mountaineer Park, Inc./IOC-Caruthersville, LLC/IOC-Cape Girardeau LLC	Century Casinos, Inc.	06/12/2019	156	4.1x	-
Valley Forge Convention Center Partners, LP	Boyd Gaming Corporation	17/09/2018	366	7.0x	-
Trans World Corporation	FEC Overseas Investment (UK) Limited	30/04/2018	66	9.8x	0.9x
American Casino & Entertainment Properties LLC	Golden Entertainment, Inc.	20/10/2017	1,376	12.0x	2.7x
Affinity Gaming	Z Capital Management LLC	01/02/2017	871	9.5x	1.7x
Les Ambassadeurs Club Limited	United Time Corporation Limited	28/04/2016	285	5.9x	1.0x
Circus Reno Hotel & Casino and 50% Stake in Circus & Eldorado Joint Venture	Eldorado Limited Liability Company	24/11/2015	179	4.9x	-
Casino One Corporation	Tropicana Entertainment Inc.	01/04/2014	266	10.7x	1.3x
Ameristar Casinos, Inc.	Pinnacle Entertainment Inc., Prior to Spin off of Assets	14/08/2013	2,653	8.2x	2.3x
Peninsula Gaming, LLC	Boyd Gaming Corporation	20/11/2012	1,428	12.6x	3.7x
Harrah's Maryland Heights, LLC	Penn National Gaming, Inc. (nka:PENN Entertainment, Inc.)	02/11/2012	598	7.8x	-

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Target	Acquirer	Completion date	Implied EV ($m)	Implied historical EV/EBITDA	Implied historical EV/revenue
Magnolia Hill, LLC	Churchill Downs Incorporated	23/10/2012	138	7.4x	-
Imperial Palace of Mississippi, LLC	Boyd Gaming Corporation	04/10/2011	264	6.8x	-
Rainbow Casino-Vicksburg Partnership, L.P.	Isle of Capri Casinos, Inc.	08/06/2010	76	7.0x	1.9x
Mean			623	8.1x	1.9x
Median			276	7.6x	1.8x
Min			66	4.1x	0.9x
Max			2,653	12.6x	3.7x

Source: Capital IQ as at 30 May 2025 and the additional sources detailed below

Although the transactions listed in Table C.3 above and described in Table C.4 below may be considered broadly comparable to Donaco, there are several key differences between Donaco and each of the target companies. In particular:

- The target companies operate in significantly larger and more mature gaming markets than Donaco, with higher enterprise values and greater scale across revenue and EBITDA;
- Most target companies are based in the United States, with a small number located in Europe. These jurisdictions are generally more regulated compared to Vietnam and Cambodia;
- The business models of the target companies are typically more diversified, with a greater balance between gaming, hotel and entertainment segments. In contrast, Donaco's operations are more concentrated in gaming, and its hotel and retail segments are closely linked to casino activity;
- Many target companies focus more on local or domestic customers, whereas Donaco's operations, particularly at Star Vegas, rely heavily on cross border visitation from Thailand, exposing it to unique geopolitical and regulatory risks;
- Several transactions involve properties with substantial resort style amenities such as golf courses, convention centres and spas, whereas Donaco operates in regions with more limited supporting infrastructure; and
- Many of the companies were acquired as part of broader consolidation strategies by large casino groups, which may involve synergy-based pricing not applicable to a standalone business such as Donaco.

Taken together, these factors suggest that Donaco may warrant a lower multiple relative to the companies listed in Table C.3, particularly given its smaller scale, concentrated risk profile and reliance on cross border patronage in developing regulatory environments.

Table C.4: Target descriptions - broadly comparable transactions

Target name	Description
Mountaineer Park, Inc./IOC-Caruthersville, LLC/IOC-Cape Girardeau LLC	As of December 6, 2019, Mountaineer Park, Inc./IOC-Caruthersville, LLC/IOC-Cape Girardeau LLC was acquired by Century Casinos, Inc. Mountaineer Park, Inc./IOC-Caruthersville, LLC/IOC-Cape Girardeau LLC represents the combined operations of Mountaineer Park, Inc., IOC-Caruthersville, LLC, and IOC-Cape Girardeau LLC. Mountaineer Park, Inc., operates a casino, racetrack, and resort in New Cumberland, West Virginia, United States of America. Its features include slot machines, table games, live poker tables, a thoroughbred racetrack, golf course, dining and entertainment, a theatre and events centre, and a convention centre, and other amenities. It offers amenities for business and pleasure conventions, weddings, and other groups.
Valley Forge Convention Center Partners, LP	Valley Forge Convention Center Partners, LP operates Valley Forge Casino Resort, a casino and gaming resort located in Pennsylvania, United States of America. Its amenities include a business center, a fitness center, a health spa, nightclubs, banquet halls, and on-site restaurants and lounges. It also provides wedding reception services. The company was founded in 2012 and is based in King of Prussia, Pennsylvania. As of September 17, 2018, Valley Forge Convention Center Partners, LP operates as a subsidiary of Boyd Gaming Corporation.
Trans World Corporation	Trans World Corporation, founded in 1993, is a publicly-traded, Nevada corporation, headquartered in the United States of America, with all of its gaming and hotel operations in Europe. Additional information about TWC can be found on the Company's website at www.transwc.com.

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Target name	Description
American Casino & Entertainment Properties LLC	As of October 20, 2017, American Casino & Entertainment Properties LLC was acquired by Golden Entertainment, Inc. American Casino & Entertainment Properties LLC, through its subsidiaries, owns and operates gaming and entertainment properties in Clark County, Nevada, United States of America. Its properties include Stratosphere Casino Hotel & Tower, which is located on the Las Vegas Strip and caters to visitors to Las Vegas; two off-Strip casinos, Arizona Charlie's Decatur and Arizona Charlie's Boulder that cater primarily to residents of Las Vegas and the surrounding communities; and the Aquarius Casino Resort in Laughlin, Nevada, which caters to visitors and residents of Laughlin and Northwest Arizona. As of December 31, 2015, the Stratosphere Casino Hotel & Tower contained approximately 80,000 square feet of gaming space, with approximately 798 slot machines, 44 table games, a 7-table poker room, and a race and sports book, as well as had 2,427 hotel rooms, including 909 stratosphere select rooms and 132 suites; and the Arizona Charlie's Decatur consisted of approximately 55,200 square feet of gaming space with 1,137 slot machines, 11 table games, a bingo parlor, a keno lounge, a race and sports book, and a poker lounge, as well as had 259 hotel rooms, 3 restaurants, Subway and a Noble Roman's Pizza, 1 bar in the bingo area, and 3 bars in the casino area. The Arizona Charlie's Boulder contained approximately 47,500 square feet of gaming space with 853 slot machines, 8 table games, a bingo parlor, and a race and sports book, as well as had 303 rooms, including 219 suites, 4 restaurants, and 3 bars; and the Aquarius Casino Resort consisted of approximately 57,000 square feet of gaming space with approximately 1,207 slot machines, 33 table games, and a race and sports book, as well as had 1,906 hotel rooms, including 90 suites, 4 leased restaurants, 3 bars, and approximately 35,000 square feet of meeting space. American Casino & Entertainment Properties LLC company was founded in 2003 is headquartered in Las Vegas, Nevada.American Casino & Entertainment Properties LLC operates as a subsidiary of W2007/ACEP Managers Voteco, LLC.
Affinity Gaming	Affinity Gaming, through its subsidiaries, owns and operates casinos in the United States of America. It operates 11 casinos, including 5 in Nevada, 3 in Colorado, 2 in Missouri, and 1 in Iowa, as well as 3 gas station/convenience stores in Nevada and a lottery outlet in California. As of December 31, 2015, its casino operations consisted of approximately 288,400 square feet of gaming space with 6,929 and 131 table games, as well as hotel operations comprising 3,125 hotel rooms. Affinity Gaming was formerly known as Affinity Gaming, LLC. and changed its name to Affinity Gaming in December 2012. The company was incorporated in 2010 and is based in Las Vegas, Nevada.
Les Ambassadeurs Club Limited	Les Ambassadeurs Club Limited operates as a private members club and casino in London, England. It provides luxury gaming and hospitality services, featuring an exclusive members-only club with gaming tables and facilities for various cuisines. The company also offers private boxes at events, bespoke dining experiences, and travel arrangements for members. Additionally, it organizes events for members and their families. It operates both a physical casino and an online casino, catering to high-net-worth individuals, including aristocracy, diplomats, and other high-profile clients.
Circus Reno Hotel & Casino and 50% Stake in Circus & Eldorado Joint Venture	As of November 24, 2015, Circus Reno Hotel & Casino and 50% Stake in Circus & Eldorado Joint Venture were acquired by Eldorado Limited Liability Company. Circus Circus Reno Hotel & Casino and 50% Stake in Circus & Eldorado Joint Venture represents the combined operations of Circus Circus Reno Hotel & Casino and Circus & Eldorado Joint Venture in their sale to Eldorado Resorts, Inc. Circus Circus Reno Hotel & Casino owns and operates a hotel and casino and Circus and Eldorado Joint Venture owns and operates the Silver Legacy Resort Casino, a themed hotel-casino and entertainment complex. Circus Circus Reno Hotel & Casino and Circus & Eldorado Joint Venture are based in the United States of America.
Casino One Corporation	Casino One Corporation, doing business as Lumière Place Casino & Hotels, operates a casino and resort located in St. Louis, Missouri, United States of America. Its amenities include slot machines, table games, and a poker room; restaurants; nightlife attractions that include a lounge, and a bar; and a VIP lounge. The company was incorporated in 1992 and is based in Saint Louis, Missouri. As of April 1, 2014, Casino One Corporation operates as a subsidiary of Tropicana Entertainment Inc.
Ameristar Casinos, Inc.	Ameristar Casinos, Inc. operates a portfolio of eight casino hotel properties across the United States, primarily servicing customers from states including Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Nebraska and Nevada. The company offers a mix of gaming, hotel, dining and leisure facilities, and employs approximately 7,400 staff. Ameristar has been publicly listed since 1993 on the Nasdaq Global Select Market and reports annual net revenues in excess of $1 billion.
Peninsula Gaming, LLC	Peninsula Gaming, LLC operates as a casino entertainment holding company with gaming operations in Iowa, Louisiana, and Kansas. The company, through its subsidiaries, engages in the ownership and operation of casinos and off-track betting parlors. It owns and operates the Diamond Jo casino in Dubuque, Iowa; the Evangeline Downs Racetrack and Casino in St. Landry Parish, Louisiana; four off-track betting parlors in Port Allen, Henderson, Eunice, and St. Martinville, Louisiana; the Diamond Jo casino in Worth County, Iowa; the Amelia Belle Casino in Amelia, Louisiana; and the Kansas Star Casino, Hotel and Event Center in Mulvane, Kansas. Peninsula Gaming, LLC also offers various amenities, including food and beverage outlets and entertainment venues. The company was founded in 1999 and is headquartered in Dubuque, Iowa. Peninsula Gaming, LLC operates as a subsidiary of Boyd Acquisition II, LLC.
Harrah's Maryland Heights, LLC	Harrah's Maryland Heights, LLC owns and operates a casino under the name Hollywood Casino St. Louis in Missouri, United State of America. The company was incorporated in 1995 and is based in Maryland Heights, Missouri. As of November 2, 2012, Harrah's Maryland Heights, LLC operates as a subsidiary of PENN Entertainment, Inc.
Magnolia Hill, LLC	Magnolia Hill, LLC owns and operates a casino hotel in Mississippi, United States of America. Its features include various slot machines ranging from penny games to $20 machines to video poker, as well as table games; dining options; guest rooms and suites; spaces for events and meetings; and wedding venues. The company was incorporated in 2005 and is based in Vicksburg, Mississippi. Magnolia Hill, LLC operates as a subsidiary of Churchill Downs Incorporated.

Target name	Description
Imperial Palace of Mississippi, LLC	Imperial Palace of Mississippi, LLC operates a casino hotel in Mississippi, United States of America. Its amenities and services include table games, slots, poker rooms, high-limit gaming, deluxe and premium rooms, luxury suites, spa suites, penthouse rooms and suites, junior penthouse suites, a pool, a bar, restaurants, a fitness center, a spa and salon, and resort amenities. The company also arranges facilities for meetings, parties, and receptions; offers specialized golf packages to golf courses; and houses retail stores that sell everyday necessities, gifts, and fashion trends. Imperial Palace of Mississippi, LLC was founded in 1997 and is based in Biloxi, Mississippi. As of October 4, 2011, Imperial Palace of Mississippi, LLC was acquired by Boyd Gaming Corporation.
Rainbow Casino-Vicksburg Partnership, L.P.	Rainbow Casino-Vicksburg Partnership, L.P. operates gaming facilities in Mississippi, United States of America. It provides a players club for its casino customers, as well as offers table games. The company was incorporated in 1993 and is based in Vicksburg, Mississippi. Rainbow Casino-Vicksburg Partnership, L.P. operates as a subsidiary of Bally's Corporation.

Source: Capital IQ, BDO analysis

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APPENDIX D: **INDEPENDENT TECHNICAL EXPERT'S REPORT** – THE ARISTO REPORT

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Valuation Report.

The Aristo International Hotel, No.028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province, Vietnam

Prepared for BDO Corporate Finance Limited
Valuation date: 17 March 2025

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Date of issue: 4 June 2025
Our Ref: GV/CYF/JIP/RLE/28356(1)(a)

Valuation Report – Aristo International Hotel, No.028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province, Vietnam

Further to your instructions, we are pleased to provide our Valuation Report in respect of the above property. If you have any queries regarding this report, please let us know as soon as possible.

Signed for and on behalf of Knight Frank Petty Limited



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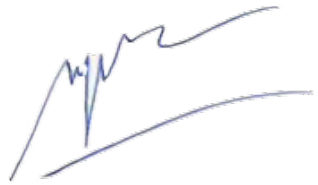

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Executive summary

This Executive summary is a brief overview of our Valuation Report and must not be relied upon in isolation. It is intended to be read in conjunction with the whole report and is subject to any assumptions, caveats and comments stated within the body of this report.



Address	The Aristo International Hotel, No.028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province, Vietnam (the "Property").
Location	The Property is located at No.028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province. It is approximately 850m northeast of the Central Business District of Lao Cai City, about 2km south of Lao Cai Railway Station and about 4km south of Lao Cai International Border Gate.
Description	The Property is an operating five-star hotel with 12 stories plus two basements. The Property provides a total of 353 available guestrooms and various ancillary amenities including gaming facilities, karaoke rooms, ball rooms, restaurants, gym, spa, swimming pools, etc. Gaming facilities is arranged on the ground floor of the hotel. There are 08 gaming tables and 88 slots gaming machines. As per information provided by Donaco, the Property was completed and operated in May 2014. As of the inspection date, the Property is managed in-house and appears to be in average condition.
Area	Land area: Approximately 44,595.6 sqm (according to LURC No. BB021626). Gross Floor Area: As per the information provided by Donaco, the total gross floor area of the Property is about 52,933 sq m including basement areas and beer garden.

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Tenure	According to the provided Land Use Right Certificate No. BB021626, the land tenure of the Property is 50-year leasehold interest until the end of March 2061, subject to various annual land rents. As of the valuation date, the remaining tenure of the Property is 36 years.
Occupancy	The Property was operating as a hotel and entertainment complex under the trade name "The Aristo International Hotel" as at the Valuation Date.
Planning	The Property falls within an area zoned as "public and commercial land" under the Urban Planning Information of Lao Cai Province.
Valuation date	17 March 2025 (the "Valuation Date").
Information Provided	We have reviewed the following information provided by you, your advisers or other third parties. In our valuation, we made reference to the following information and assumed it to be materially correct in all aspects: - • Legal title documents of the Property, including Land Use Right Certificate No BB021626 (the "Land Use Right Certificate"), Land Lease Agreement No 58/HDTD (the "Land Lease Agreement"), various Land Rental Exemption Decision and Construction Permits; • Investment Registration Certificate No.324354566; • Historical and forecasted profit & loss statements between Financial Years 2015-2024 • Audited Financial Statements Reports between Financial Years 2020-2024 • Building parameters; • Floor plans; • Tenancy schedule; • Fixed asset list: and Other relevant information of the Property.
Valuation basis	We have been instructed to value the Property on the following basis: • **Going concern Basis:** For the purpose of this Report and Valuation, we were specifically instructed by the Client to ascertain the Market Value of the Property on an "As Is" basis as The Aristo International Hotel, a casino cum hotel/resort with 8 table games, 88 slot machines and 353 hotel rooms on an on-going concern with the contents, fixtures and fittings and other guests facilities fully available therein to the casino and hotel guests. ("Going Concern Basis") • **Vacant possession:** For the purpose of this Report and Valuation, we were specifically instructed by the Client to ascertain the Market Value of the Property on a "Vacant Possession" basis disregarding the existing operation and management, as a 393-room hotel with the contents, fixtures and fittings and other guests facilities fully available therein to the hotel guest. The hotel is assumed to be operated by an international upper-class/ luxury operator on a standard market management level as at the valuation date. In line with the "Vacant Possession" basis, it is further

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	assumed that the casino is no longer in operation, and the space utilized for casino operations is available for alternative use or lease to third-party tenants, with unrestricted use and that the potential for additional rental income is reflected in our valuation. ("Vacant Possession Basis")
Conclusion of Market Value	**Going Concern Basis:** US$24,230,000 (United States Dollars Twenty Four Million Two Hundred Thirty Thousand) to US$25,560,000 (United States Dollars Twenty Five Million Five Hundred Sixty Thousand) on an "as is" basis as The Aristo International Hotel, a casino cum hotel/resort with 8 table games, 88 slot machines and 353 hotel rooms being in use and operational as at the Valuation Date. **Vacant Possession Basis:** US$23,350,000 (United States Dollars Twenty Three Million Three Hundred Fifty Thousand) to US$25,590,000 (United States Dollars Twenty Five Million Five Hundred Ninety Thousand) on an "vacant possession" basis disregarding the existing operation and management, as a 393-room hotel with the contents, fixtures, fittings and other guest facilities fully available therein to the hotel guest. *The exchange rate applied is VND 25,531 against US$1 published by Bloomberg as of the valuation date.*

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1. Terms of engagement

Introduction

1.1 This valuation report (the "Valuation") represents our assessment of Market Value of the Property. Set out below is the background, purpose, responsible valuers, work program, scope of work and other relevant information in relation to this Valuation.

Background

1.2 We have been instructed by BDO Corporate Finance Limited to prepare valuation reports for consideration in preparing an Independent Expert's Report (the "IER"). The IER forms part of the Scheme Booklet to be provided to the non-associated shareholders of Donaco International Limited (the "Non-Associated Shareholders'). The Scheme Booklet is to provide the Non-Associated Shareholders with the information they require to make an informed decision on a proposed transaction. This transaction is the proposed acquisition by On Nut Road Limited ('ONR') of all shares of Donaco International Limited that it does not already own by way of a scheme of arrangement (the "Proposed Transaction").

1.3 Our valuation reports are to provide our opinion on the Market Values of the following properties held by Donaco International Limited ("Donaco"): -

- The Aristo International Hotel, No.028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province, Vietnam;
- A 2,988 sqm land allotment situated on Dang Chau Street, Coc Leu Ward, Lao Cai City, Lao Cai Province, Vietnam; and
- DNA Star Vegas Resort & Club, Kbal Spean 1 Village, Poipet Commune, Poipet District, Banteay Meanchey Province, Cambodia.

Engagement of Knight Frank Petty Limited

1.4 This Valuation has been prepared in accordance with our Engagement Agreement dated 9 April 2025, our General Terms of Business for Valuation Services and the General Scope of Valuation Work (together the "Agreement").

1.5 The total fee of this engagement is HK$1,000,000 (Hong Kong Dollars One Million). The fee charged is generally relevant to the scope of work, timeframe, project team and other relevant factors of the engagement and is irrelevant to the result of this Valuation. Further details have been set out in the Agreement as attached at **Appendix 1**.

Client

1.6 We have been instructed by BDO Corporate Finance Limited (the "Client") to prepare the Valuation.

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Valuation standards

1.7 This valuation has been undertaken in accordance with the current editions of "The RICS Valuation – Global Standards" (the "Red Book") issued by the Royal Institution of Chartered Surveyors ("RICS"), which incorporate the International Valuation Standards (the "IVS"). As required by the above standards, some key matters relating to this instruction are set out below.

Status and Experience of Valuer

1.8 Knight Frank is a global leading independent property advisor which provides valuation services on all property asset types, including hotels, offices, shopping malls, residential properties, warehouses, development sites and specialised properties such as casinos. Valuation services are generally provided for the purposes of secured lending, financial reporting, acquisition, disposal, expert witness and internal decision making.

Valuer and Expertise

1.9 The valuer, on behalf of Knight Frank Petty Limited, with the responsibility for this report is Cyrus Fong FRICS FHKIS RICS Registered Valuer RPS (GP). Cyrus is a Fellow of RICS with over 15 years of experience in the real estate industry, undertaking valuation and advisory assignments for various types of properties in Hong Kong, Macau, China and Southeast Asia. Cyrus is qualified to provide a professional opinion on the Market Value of the Property.

1.10 Parts of this valuation have been undertaken by additional valuer of our sub-consultants, Knight Frank Vietnam Property Services Company Limited and NLP Valuation Services Company Limited: -

- Huynh Thi Thanh Truc MOF Registered Valuer, on behalf of Knight Frank Vietnam Property Services Company Limited and NLP Valuation Services Company Limited, has more than 10 years of experience at foreign agencies. Her track record includes delivering accurate and reliable valuations for a variety of purposes, such as mortgage, acquisition, immigration, and year-end accounting. Truc is qualified to provide a professional opinion on the Market Value of the Property.

1.11 Further qualifications and experience of the valuers of this Valuation are outlined in their curricula vitae ("CVs"), which are attached in **Appendix 2**.

1.12 We confirm that the valuer and additional valuers meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.13 We are appointed as your valuation advisers; our role is limited to providing property valuation services in accordance with the Red Book and the terms of this Agreement.

1.14 For the purposes of the Red Book / IVS, we are acting as External Independent Valuer.

1.15 This report has been internally reviewed as part of Knight Frank Petty Limited's quality assurance procedures.

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Conflicts of Interest and Independence: Declaration and Disclosures

1.16 We, on behalf of Knight Frank Petty Limited, Knight Frank Vietnam Property Services Company Limited and NLP Valuation Services Company Limited, confirm that we do not have any material connection or involvement with the Property or a party interested in it which would give rise to a conflict of interest and are providing an objective and unbiased valuation.

Project Team

1.17 Our Valuation was prepared by Cyrus Fong FRICS FHKIS RICS Registered Valuer RPS (GP), Executive Director, Head of Valuation & Advisory, Greater China, supported by a team of consultants and sub-consultants (the "Project Team"). The Project Team has extensive experience in property valuation and advisory. Key functions of the Project Team in the preparation of this Valuation are set out as follows: -

Knight Frank Petty Limited

- **Cyrus Fong** FRICS FHKIS RICS Registered Valuer RPS (GP), Executive Director, Head of Valuation & Advisory, Greater China – acted as the lead valuer of this engagement.
- **Jennifer Ip** MRICS RICS Registered Valuer, Senior Director, Valuation & Advisory – acted as one of the key project coordinators to provide support to the Project Team.
- **Rochelle Lee** MRICS, Senior Manager, Valuation & Advisory – reviewed and analysed information provided by Donaco, prepared draft calculations and valuation report.
- **Clement Tsui**, Valuer, Valuation & Advisory – conducted site inspection on 1 April 2025 and reviewed information provided by Donaco.

NLP Valuation Services Company Limited

- **Nguyen Thi Lan Phuong** MOF Registered Valuer, Valuation Director, Commercial Valuation – reviewed the valuation report.
- **Huynh Thi Thanh Truc** MOF Registered Valuer, Valuation Senior Manager, Commercial Valuation – conducted site inspection, collected the necessary information and prepared the calculations and valuation report.

Knight Frank Vietnam Property Services Company Limited

- **Tuyen Huynh** MRICS Registered Valuer, Director, Head of Valuation & Research – reviewed the valuation report.

Use of this Valuation

Purpose of valuation

1.18 This Valuation is provided for the purpose of the Proposed Transaction (the "Purpose") only and may not be used for any other purpose without our express written consent.

Reliance

1.19 This Valuation has been prepared for the Client, Donaco and the Non-Associated Shareholders only.

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1.20 No other person is entitled to rely on the Valuation for any purpose. We accept no liability to anyone for any improper or unauthorised reliance on this Valuation.

Disclosure & Publication

1.21 The Valuation has been prepared for the Client, Donaco and the Non-Associated Shareholders and in accordance with the Agreement which governs its purpose and use. As stated in the Agreement, this Valuation is confidential and must not be disclosed to any person other than the Client, Donaco and the Non-Associated Shareholders without our express written consent. Nor may the whole nor any part of this valuation nor any reference thereto may be included in any prospectus, listing particulars, published document, circular or statement nor published in any way without our prior written approval of the form or context in which it may appear.

1.22 Knight Frank Petty Limited understand that the whole or part of this Valuation will be attached as an appendix to the IER prepared by the Client and that the IER, inclusive of this Valuation or part of this Valuation, will form part of the Scheme Booklet to be provided to the Non-Associated Shareholders.

Limitations on liability

1.23 Knight Frank Petty Limited's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank Petty Limited accepts no liability for any indirect or consequential loss or for loss of profits.

1.24 We confirm that we hold adequate and appropriate Professional Indemnity Insurance cover for this instruction.

1.25 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank Petty Limited. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank Petty Limited.

1.26 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

Work Program

1.27 Our work was commenced in March 2025 and the work program is mainly summarized as follows: -

- Requested information from the Client and Donaco and clarified uncertain areas;
- Reviewed information provided by Donaco and Donaco, including land title documents, relevant licenses, tenancy schedule and Profit and Loss statements;
- Conducted site inspection on 1 April 2025;
- Conducted market research and analysis regarding the local economy, hospitality market and relevant regulations; and
- Determined reasonable assumptions and parameters in our Valuation.

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Scope of work

Scope of Work and Our Assumptions

1.28 The Agreement, which includes our General Scope of Valuation Work, set out the investigations we agreed to undertake, their limitations and any assumptions to be made as a result.

1.29 We have summarised below the key sources of information, investigations we have undertaken and any additional assumptions we have made.

Matter	Scope of Work and Assumptions
Information Provided	We have reviewed the following information provided by you, your advisers or other third parties. In our valuation, we made reference to the following information and assumed it to be materially correct in all aspects: - • Legal title documents of the Property, including Land Use Right Certificate No BB021626 (the "Land Use Right Certificate"), Land Lease Agreement No 58/HDTD (the "Land Lease Agreement"), various Land Rental Exemption Decision and Construction Permits; • Investment Registration Certificate No.324354566; • Historical and forecasted profit & loss statements between Financial Years 2015-2024 • Audited Financial Statements Reports between Financial Years 2020-2024 • Building parameters; • Floor plans; • Tenancy schedule; • Fixed asset list: and • Other relevant information of the Property.
Inspections	We inspected the Property and any significant portion of the Property internally and externally. Our inspection of the Property was undertaken on 1 April 2025. We have assumed that there are no matters not revealed to us which would impact on our opinion of value. Whilst on-site we did not inspect any inaccessible areas. We have not investigated the site boundaries and assume there are no matters affecting value arising from this. For the purpose of this valuation, we have assumed the physical condition and state of repair and maintenance of the Property on the Valuation Date is in similar condition as of the date of inspection.
Measurements	We have relied upon building parameters and floor plans provided by Donaco and no further verification has been undertaken. The site area has been obtained from the land use right certificate No. BB021626.

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Matter	Scope of Work and Assumptions
	We have not undertaken on-site measurement and have assumed that the floor plans available to us are up to date and final. In addition, we have not undertaken any condition survey of the Property. We assumed that there is no material building and/or condition defects of the Property.
Services	No tests have been undertaken on the property services and we have assumed that mains gas, water, electricity, drainage and telecommunications are all available at the Property.
Planning	Planning information has been obtained from the Urban Planning Information of Lao Cai Province.
Searches	We have been provided with the Land Lease Agreement and Land Use Right Certificate issued by the People's Committee of Lao Cai Province. We have assumed that the Property has good and proper title and was freely transferable in the market as at the Valuation Date and its title is being free from any material encumbrances and defects. We are not in a position to verify the title ownership or to check whether there is any title defect. We have not undertaken any company or client background search. We assumed that the registered owner is the legal and beneficial owner of the Property. The registered owner is entitled to occupy, lease, transfer and mortgage the Property without any restrictions.
Extreme Weather Events	We have not investigated the risk of extreme weather events at the Property and have assumed that the risk of damage at the Property is low. Where you have informed us otherwise, or we are aware of a risk or history of damage resulting from extreme weather events, we have stated this below and reflected the risk within our valuation.
Contamination	You have not provided us with specialist environmental reports, and we have assumed that the Property is unaffected by contamination issues.
Tenure	We have been provided with the Land Use Right Certificate and Investment License regarding the tenure of the Property. We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct. Any matters come to light must be referred to us, as they may have an important bearing upon the value reported.
Tenancies	We have relied on a tenancy schedule provided by Donaco and no further verification has been undertaken. We assumed that all information contained in the tenancy schedule handed to us is accurate and without omission. We have

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<table>
<tr><th>Matter</th><th>Scope of Work and Assumptions</th></tr>
<tr><td></td><td>further assumed that the tenancy agreements of the Property are on normal commercial terms and are still valid and enforceable.</td></tr>
<tr><td>ESG and Energy Performance</td><td>Our valuation does not include an assessment of sustainability and environmental matters, based on our inspection.</td></tr>
<tr><td>Capital Expenditure</td><td>We have been provided by Donaco about the budgeted costs relating to upgrades or repairs of the Property for the next 5 years as below.
<table>
<tr><th>Fiscal year</th><th>Forecast CAPEX
US$</th><th>Noted</th></tr>
<tr><td>FY25</td><td>74,580</td><td>Outstanding budget in FY25</td></tr>
<tr><td>FY26</td><td>542,839</td><td>Forecast Y1</td></tr>
<tr><td>FY27</td><td>570,289</td><td>Forecast Y2</td></tr>
<tr><td>FY28</td><td>601,866</td><td>Forecast Y3</td></tr>
<tr><td>FY29</td><td>632,378</td><td>Forecast Y4</td></tr>
<tr><td>FY30</td><td>665,042</td><td>Forecast Y5</td></tr>
<tr><td>Total</td><td>3,086,995</td><td></td></tr>
</table>
We have made reference to Donaco’s budget, historical expenses, the market benchmark as well as the as is condition of the Property to arrive at our projection.</td></tr>
<tr><td>General Assumptions</td><td>We have made the following assumptions:

We are providing the open market value of the Property itself, ignoring all financing, taxation, and any other issues about the ownership of the Property;
All the land rental charges, and other taxes or charges (if any) to obtain the land use rights of the Property were fully paid by the Donaco prior to the Valuation Date;
There are no environmental, drainage or other concerns about the site.
The site is serviceable by all utilities, including electricity, water, sewage, telephone, and broadband.
The Property is occupied and managed in full compliance with the law.
The building condition and standards are continuously maintained in high-quality condition.
Donaco has the full rights of transfer, joint venture and mortgage, etc. to the Property;
The Property is free from any encumbrance, environmental contamination, or toxic material that could affect value;
The entire the Property is legal and functional for its current uses;
No encumbrances or easements on the land and its current developments;
No restrictions are placed on the Property that would restrict it from being sold/ leased unencumbered in the open market;
</td></tr>
</table>

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Matter	Scope of Work and Assumptions
	• Our valuation has taken into consideration that the Property is fully equipped with the existing hotel furnishing, fixtures, fitting and operating equipment which are essential for the operation of a hotel and casino. • All input and value in this report is excluding VAT. **<u>Going Concern Basis</u>** • Our valuation is prepared on the basis that the Property is available for sale in the market in existing state. • The valuation is based on the market evidence available in the market. Nevertheless, the actual transaction price of the Property is subject to the market condition and may deviate from the valuation. • Our valuation is prepared on the basis that the Property is available for sale in the market in existing state and as an ongoing hotel operation and taken into consideration the future income ability and trading potential of the business in our valuation; • We have valued the Property on the assumption that the licenses for casino and hotel operations were valid and continued as at the Valuation Date until the land expiry date without any restrictions/ encumbrances or any additional financial costs required. **<u>Vacant Possession Basis</u>** • Our valuation is prepared on the basis that the Property is available for sale in the market on vacant possession basis. • We have valued the Property on the assumption that the hotel is to be operated by a new operator on a standard market management level as at the Valuation Date. In line with the “Vacant Possession” basis, it is further assumed that the casino is no longer in operation, and the space utilized for casino operations is available for alternative use or lease to third-party tenants with potential for additional rental income. The estimated values of the existing casino furniture, fixtures, and equipment (“Casino FF&E”) are also reflected in our valuation. • The valuation is based on the market evidence available in the market. Nevertheless, the actual transaction price of the Property is subject to the market condition and may deviate from the valuation. • The Property is managed and operated by an international hotel operator.

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2. The Property

2.1 The Property we have valued, including the inspection details, is as follows:

Property address	Inspected by	Inspection date
Aristo International Hotel is located at No 028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province, Vietnam.	• Mr. Clement Tsui under the supervision of Mr. Cyrus Fong FRICS FHKIS RICS Registered Valuer RPS (GP) • Ms. Huynh Thi Thanh Truc MOF Registered Valuer	1 April 2025

Location

2.2 The Property is situated at No. 028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province, Vietnam, and is accessible via Nguyen Hue Street (about 23m in width) to the northwest and Yet Kieu Street (about 12m in width) to the south. Both streets are bitumen-sealed two-lane roadways which are directly connected to Tran Hung Dao roundabout, the main and largest gateway to Lao Cai City, providing convenient connectivity to Lao Cai City and surrounding cities/ provinces.

2.3 The Property is conveniently located just a 10-minute drive from the Lao Cai International Border Gate and 15 minutes from the Kim Thanh Border Gate. Lao Cai Railway Station is only a 7-minute drive away, ensuring easy access for travellers. Noi Bai International Airport is approximately 4.5 hours away by car, offering direct flights for both domestic and international tourists. Additionally, the hotel is about a 45-minute drive from Sapa Town, a renowned tourist destination known for its stunning landscapes and rich cultural heritage.

2.4 Notable hospitality developments within the vicinity of the Property include Muong Thanh Grand Lao Cai Hotel, Lao Cai Star Hotel, Sapaly Lao Cai Hotel, Sojo Lao Cai, and Duc Huy Grand Hotel. Additionally, Coc Leu Market and Lao Cai Tourism Market are well-known commercial and shopping hubs within Lao Cai City, attracting both locals and visitors.

2.5 We comment on the local hotel market and key demand generators within the 'Hotel Market Analysis' section of this report.

Maps

2.6 The following maps detail the location of the hotel and our understanding of its borders.

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Location – Source: Google Earth Pro

Site

Site Area

2.7 The site measures approximately 44,595.6 m² (11.02 acres) as stated in the Land Use Right Certificate No.BB021626.

Site plan

2.8 The image below shows our understanding of the extent of the site.

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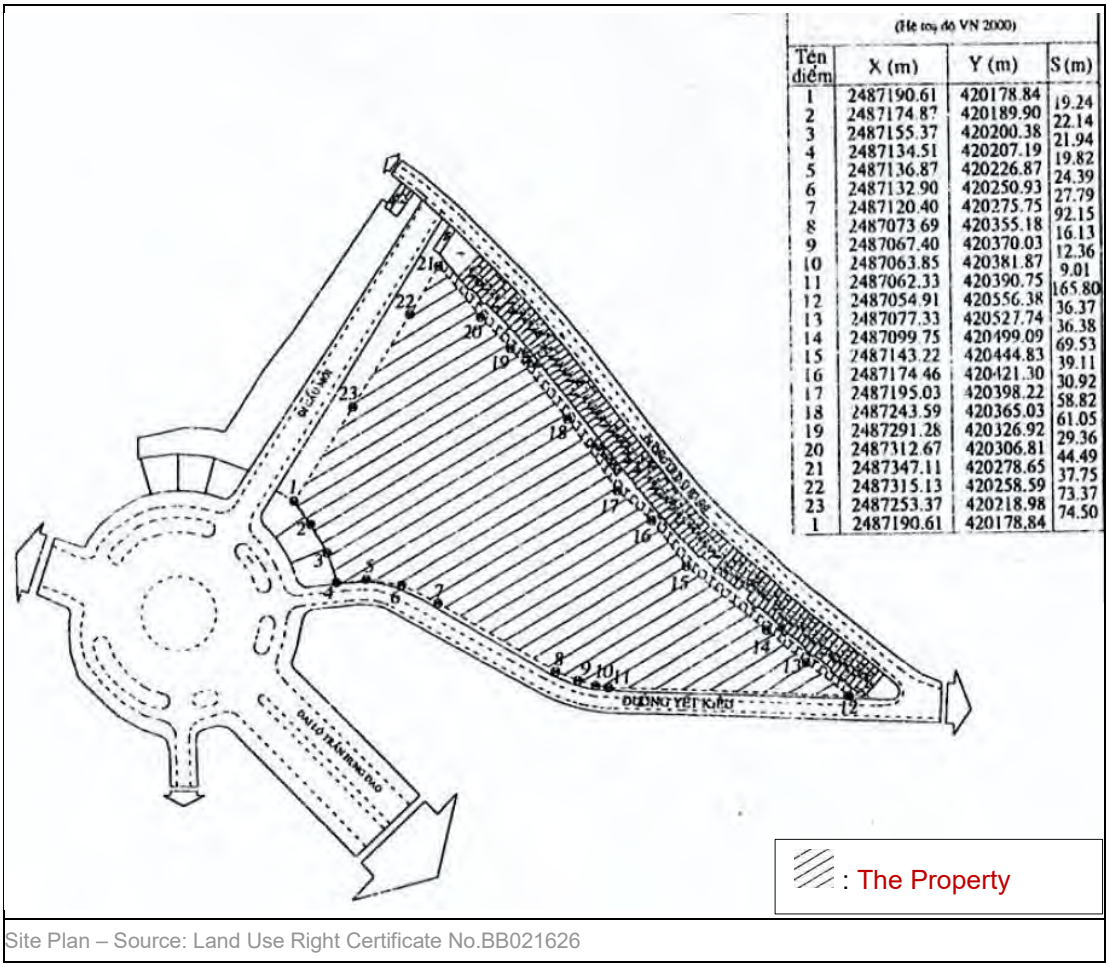

Site Plan – Source: Land Use Right Certificate No.BB021626

Hotel Facilities

Summary

2.9 The following table summarises our understanding of the hotel facilities:

Table 1: Hotel Facilities

Accommodation Type	No. of rooms	Average size (sqm)	NLA (sqm)
Standard room	295	22-40	7,694.0
Deluxe room	71	55.5	3,927.2
Junior	25	81.4	2,009.6
Executive	2	114.5	229.0
Total	**393**	**35.3**	**13,859.8**

Food & Beverage Areas	Location	Capacity (seat)
Fortune restaurant	Ground floor	150
Goodluck restaurant	Ground floor - Inside Casino	64
Total		**214.0**

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Banquet Areas	Location	Size (sqm)	Capacity (seat)
Ballroom	Ground floor	525	550
Hibiscus	First floor	85	30
Orchird	First floor	85	30
Chryanthemum	First floor	85	30

Other Facilities		
Outdoor Swimming Pool	Beer Garden	Restaurant
Children's Center	Souvenir shop	Foods courts
Tennis Courts	Convenient shop	Infinity Bar
Health & Fitness Centre	Karaoke	Casino
Business Center	Massage Sauna and Jacuzzi	

Source: Aristo International Hotel

Table 2: Casino Facilities

Casino Facilities	2024	2025	Change
No of Table games	8	8	0%
No of Slot machines	56	88	57%

Source: As per information provided by Donaco and observation during our physical site inspection

Description

2.10 The Property is a 14-storey (including one basement and one semi-basement) 5-star hotel development mainly comprising hotel, retail, and casino components.

2.11 As per the information provided by Donaco, the hotel portion of the Property (the “Hotel Portion”) mainly comprises a total of 353 available guestrooms located from floor 3 to floor 10. The Hotel Portion also includes various ancillary facilities, such as a parking area, an outdoor swimming pool, an outdoor tennis court, a health & fitness centre, and landscaped areas.

2.12 The retail portion of the Property (the “Retail Portion”) mainly comprises:

- Twenty-One (21) retail shops/ units located across Basement 2, Ground Floor, First Floor, and Second Floor;
- An outdoor Beer Garden, functioning as an event organization center, situated at the southeast corner of the Property and has direct frontage to Yet Kieu Street;
- An outdoor Pickleball – Tennis Court is located at the north of the hotel building.

2.13 The Casino mainly comprises a gaming area with 88 slot machines and 8 gaming tables (the “Casino Portion”). The Casino Portion is on ground floor and abuts onto receptionist area.

2.14 As per information provided by Donaco, the Property was completed in May 2014.

2.15 As per our internal inspection, the Property generally enjoys city and open views.

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2.16 The Property is composed of reinforced concrete with stone cladding, along with texture painted external facades.

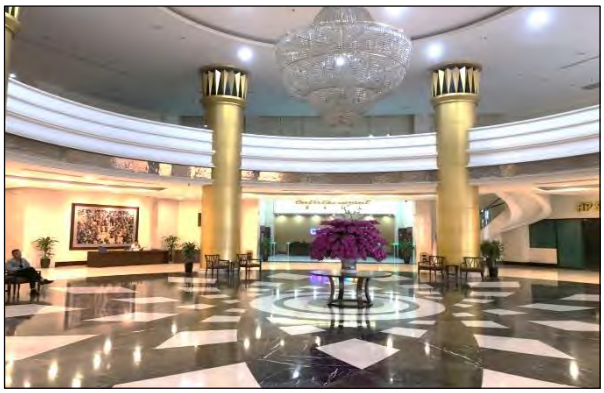


Street plan – Source: Google Maps

2.17 Photos of the Property and its surrounding areas as taken from our inspection are shown as follows.



Entrance



Lobby/Lounge

Accommodation

2.18 As per the information provided by Donaco, key accommodation details of the Property are as follows:

Floor	Key accommodation
Basement floor	Convenient shop, clubs, and food court
Semi-basement floor	Housekeeping, laundry and support area
Ground floor	Reception area, lobby lounge, gaming areas, restaurants, bar, ballroom

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Floor	Key accommodation
1st	Meeting room, business center, restaurant, and retail shop
2nd	Kid center, karaoke, sauna, spa & massage, jacuzzi, swimming pool and fitness center.
3rd to 10th	Guestrooms
11th	Presidential suite and guestrooms. As of the inspection date, this floor is not in operation.

Floor Areas

2.19 As per the information provided by Donaco, the total gross floor area ("GFA") of the Property is approximately 52,933 sqm including beer garden and basement areas.

2.20 The breakdown of GFA of the Property are as follows:

Floor	Total GFA (sqm)	Ceiling height (m)	No. of Room
Basement floor	5,501	3	
Semi-basement floor	1,851	3	
Ground floor	5,555	3.7	
1st	5,631	3.7	
2nd	5,060	2.4	
3rd	2,522	2.4	47
4th	2,522	2.4	44
5th	2,522	2.4	47
6th	2,522	2.4	47
7th	2,522	2.4	47
8th	2,522	2.4	47
9th	2,522	2.4	47
10th	2,522	2.4	47
11th	2,522	2.4	20
Rooftop	2,522	2.4	
Outdoor beer garden	4,115		
Total	**52,933**		**(*)393**

Note: (*) As of the valuation date, we have been confirmed by the Donaco that total available guestroom is 353. There are 40 outstanding rooms reserved for internal uses and mock-up purposes. Our valuation is thus considered 353 rooms in Basis 1 – Going concern and 393 rooms in Basis 2 – Vacant possession.

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Bedrooms

2.21 We understand that each guestroom is centrally air-conditioned and has a private bathroom, free standing furniture and contemporary style furnishings, a direct dial telephone, LED TVs with satellite channels, wifi, safe, hairdryer, tea and coffee making facilities and smoke detector.

2.22 We understand that each bathroom features a separate shower, tiled floor and fully tiled walls, washbasin, WC, towel rail and shaver socket. Complimentary toiletries, bathrobes and hairdryer.

2.23 A housekeeping is offered on a daily basis.



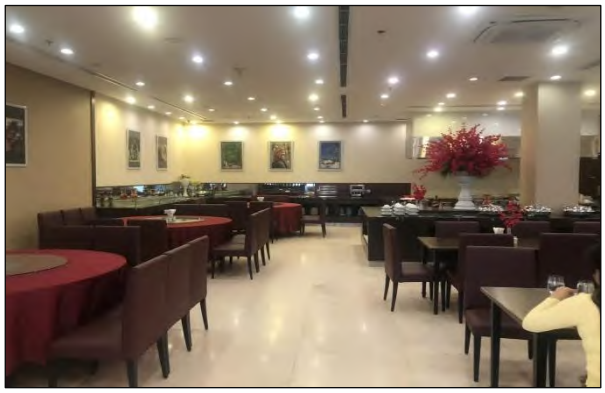
Typical Guestroom



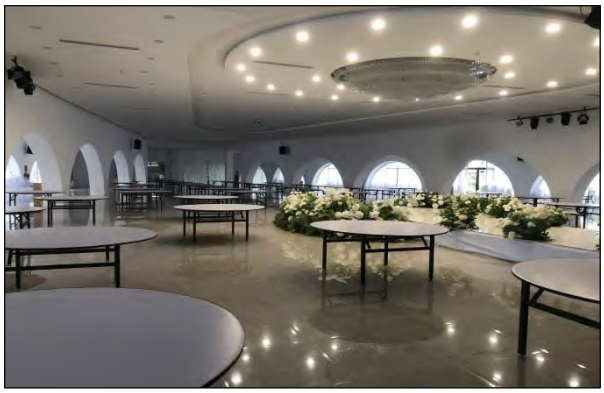
Typical Bathroom

Food & Beverage facilities

2.24 There are two restaurants, including the Fortune Café on the Ground Floor and the Good Luck Café located inside the Casino. In addition, the Beer Garden serves as an event organization center.



Restaurant



Beer garden

Leisure facilities

2.25 The leisure facilities comprise a swimming pool and a health and fitness centre located on the second floor. These facilities are open to hotel guests only.

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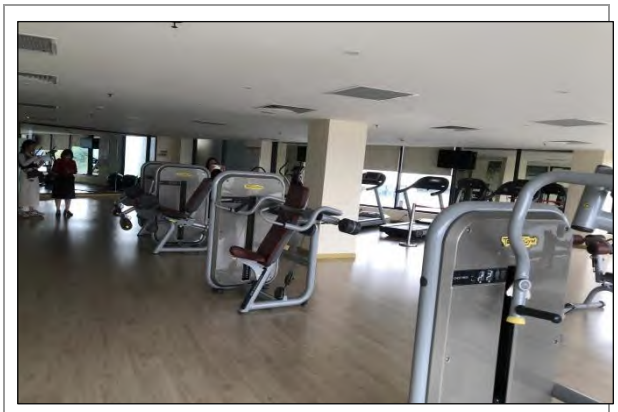
2.26 Additionally, there are a karaoke club, an infinity bar, a spa and massage centre, and jacuzzi & sauna facilities. These amenities cater to both hotel residents and external members, subject to a usage fee.



Swimming pool



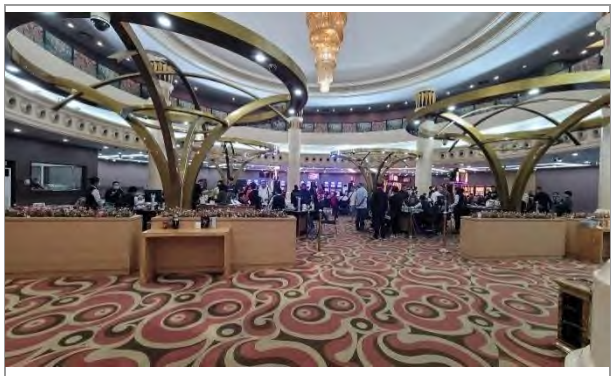
Gym

Casino

2.27 The casino in Aristo International Hotel was opened in 2014 which was the only casino in Lao Cai. It located at the ground floor of The Aristo International Hotel. With reference to the information from the Donaco, the casino has an area of approximately 1,400 sqm with 8 Mass tables and 88 slot machines.



Exterior of the casino



Interior of the casino



Mass Tables Area



Slot Machines Area

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Car-parking

2.28 Outdoor parking is provided to the building with total capacity of 50 car parking slots and 370 motorbike slots.

Grounds

2.29 We have assumed that the grounds are landscaped and very well presented.

2.30 We have not been provided with a copy of a ground condition report for the site. We have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the building(s) constructed thereon.

Condition

Comments

2.31 As at the time of our inspection, we noted the Property appeared to be in a generally reasonable state of repair commensurate with its age and use. No urgent or significant defects or items of disrepair were noted which would be likely to give rise to substantial expenditure in the foreseeable future or which fall outside the scope of the normal annual maintenance programme.

2.32 We have not carried out any structural investigation or building survey. During our limited inspection we did not inspect any inaccessible areas. We are unable to confirm whether the Property is free from urgent or significant defects or items of disrepair.

2.33 We have not been provided with a building survey in respect of the Property.

Capital Expenditure – Proposed

2.34 As informed by Donaco, as of the Valuation Date, about 13 rooms on floor 7 and 47 rooms of floor 3 are under upgrading/fitting-out process. The progress is expected to complete in Q2 2025. The renovation is flexibly administered and does not interrupt normal operation.

2.35 We have been provided the budgeted costs of the Property for the next 5 years by Donaco relating to upgrades or repairs. These costs are summarized as follows: -

Fiscal year	Forecast CAPEX US$	Noted
FY25	74,583	Outstanding budget in FY25
FY26	542,866	Forecast Y1
FY27	570,317	Forecast Y2
FY28	601,896	Forecast Y3
FY29	632,409	Forecast Y4
FY30	665,074	Forecast Y5
Total	3,087,147	

Environmental

- Flood Risk: Low
- Contamination: None noted
- Asbestos: None noted
- EPC: None provided

Planning

2.36 According to the land use right certificate and approvals over the Property provided to us by Donaco, the Property is approved for a building complex of 5-star hotel and integrated entertainment.

2.37 According to the Urban Planning Information of Lao Cai Province – an unofficial reference, the Property is located in a designated zone for "Public and Commercial land" uses.



Source: Lao Cai Province Urban Planning Information

2.38 With reference to the legal documents provided to us and the current planning as referred above, the existing uses of the Property as a "Public and Commercial land/ Hotel Development" are permitted and in line with the approved planning.

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Highways and access

Highways

2.39 We have assumed that all estate roads within the proposed scheme will be adopted and maintained at the expense of the Property owners in conjunction with adjacent owners and the local authority.

Access

2.40 In reporting our opinion of value, we have assumed that there are no third-party interests between the boundary of the Property and the adopted highways and that accordingly the Property has unfettered vehicular and pedestrian access.

Services

2.41 We have assumed for the purposes of this valuation that main supplies of gas, electricity, water, drainage and telecommunications are provided to the Property.

Property Taxes

Property Taxes

2.42 Our valuation advisory has been undertaken on a tax-exclusive basis, e.g., Goods and Services Tax, Value Added Tax or Gross Business Receipts Tax where applicable.

2.43 With respect to taxes, a casino enterprise must pay: (1) special sales tax (SST) (2) value added tax (VAT)and (3) corporate income tax (CIT), subject to a declaration method combined with a minimum tax on a deemed basis to be issued by the MOF. No tax incentives or reductions will apply to casinos and prize-winning electronic games, as well as the purchase of game machines or tables.

- **Special Sales Tax (SST)**: Casino operators are subject to a 35% tax on net win gaming revenue (i.e. after the deduction of commission). Gaming is treated as a luxury activity, with significant contributions expected from operators to national and local budgets.
  Legal Basis: Law on Special Consumption Tax 2008 and Consolidation Document No. 08/VBHN-VPQH
- **Value Added Tax (VAT)**: VAT is applied to goods and services used for production, trading, and consumption in Vietnam (including goods and services purchased from abroad), with certain exemptions. The 10% 'standard' rate applies to activities not specified as exempt or subject to the reduced 0% or 5% rate.
  Legal basis: Law No. 48/2024/QH15)
- **Corporate Income Tax (CIT)**: Casino operators are required to pay the corporate income tax under the standard rate of 20%.
  Legal Basis: Law on Corporate Income Tax 2008

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Legal title

Sources of Information

We have been provided with a copy of the following legal documents summarised below:

2.44 **Business Registration Certificate No. 5300208103** was initially issued on 27 February 2009 with its sixth amendment on 12 August 2024 by the Department of Planning and Investment of Lao Cai Province. The main terms of the certificate are outlined below:

- Company's name: Lao Cai International Hotel Joint Venture Company Limited.
- Company's address: No 028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province, Vietnam.
- Chartered capital: US$ 19,800,000.
- Legal representative: Mr. Lim Ching Heng – General Director.

2.45 **Investment Registration Certificate No. 324354566** was initially issued on 19 September 2016 with its third amendment on 14 September 2017 by the Department of Planning and Investment of Lao Cai Province. The main terms of the certificate are outlined below:

- Legal representative: Mr. Goh Kwey Biaw.
- Name of investment project: Aristo International Hotel – 5-star hotel and complex of entertainment.
- Location of the project: No. 028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province.
- Land area: 45,068.8sqm.
- Total investment capital of the project: US$ 78,472,000.
- The approved operation duration per component of the project is tabulated below

Component	Approved date	Term (years - from approved date)
Hotel	18-Mar-11	50
(*) Gaming	19-Jul-02	30
(*) Beer Garden	6-Jun-17	40
(*) Duty Free	14-Sep-17	40

Note: (*) For the purpose of this report, we have been instructed by the Client to assess the market value based on the Special assumption that the gaming, duty free and bear garden licenses will be valid and automatically extended until the land expiry date without any restrictions/ encumbrances or any additional financial costs required.

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2.46 **Land Use Rights Certificate No. BB021626** dated 8 April 2011 issued by the People's Committee of Lao Cai Province with the salient points as follows:

- Land User: Lao Cai International Hotel Joint Venture Company Limited.
- Location: Pho Moi Bridgehead, Kim Tan Ward, Lao Cai City, Lao Cai Province.
- Land area: 44,595.6sqm
- Improvement area: (**)47,935.4sqm GFA
- Land use purpose: The building complex of 5-star hotel and integrated entertainment.
- Land use terms: Until end of March 2061.
- Land use form: The State lease with annual land lease payment.

Note:
(**) This area is different from the total existing GFA provided by Donaco – which is 52,933sqm GFA (including additional beer garden and supporting areas). For the purpose of this report, the valuation is based on total GFA of 52,933sqm as confirmed by Donaco.

2.47 **Land Lease Agreement No. 58/HDTD** dated 17 October 2017 with the salient points as follows:

- Land Lessor Party: People's Committee of Lao Cai Province.
- Land Lessee Party: Lao Cai International Hotel JVC
- Area of leasing land: 44,595.6sqm.
- Address: No. 028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province, Vietnam.
- Use purpose: commercial land (build of 5-star hotel and entertainment complex)
- Tenure: Until end of March 2061.
- Land rental unit price: US$1.44 /sqm/year. Unit price is unchanged for 5 years and will be re-defined after the 5 years.
- Method of rental payment: yearly payment.
- Rights and obligations of the parties
  - ✓ If Land Lessee Party is divided, merged, transformed, sells properties attached to the leasing land to other individual or organization then the new legal entity or individual, organization who buys the Property is allowed to continue land lease within remaining period of this contract.
  - ✓ During effective period of the contract, if Land Lessee Party returns the whole and/or a part of the leasing land before its term then they must notify Land Lessor Party prior to 6 months at least. The Land Lessor Party will response within 3 months from receiving date of notification by Land Lessee Party and Land Lessor Party will make withdrawal procedure of land in accordance with the land law. Termination date of this contract shall be on date of land handover.
  - ✓ Lao Cai International Hotel JVC LTD is responsible for proper use purpose of land, complies with regulations on environment protection, do not damage legal rights and benefits of neighbors and obey strictly with regulations related to management and use of land.

- The land lease contract shall be terminated in following cases:
  - ✓ Expiry of land lease term without extension.
  - ✓ As request from a party or parties of the contract and agreed by land competent authority;
  - ✓ The Land Lessee Party is bankrupted or sold by order of court or dissolved;
  - ✓ The Land Lessee Party is revoked.

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Comment:
(**) In case, Land Lessee Party is divided, merged, transformed, sells properties attached to the leasing land to other individual or organization then the new legal entity or individual, organization *will enter new land leasing contract with the Government. The existing contract shall be terminated.*
(***) Both parties have the early termination rights by 6 months' notice in advance.

Tenure

2.48 According to the land use right certificate No.BB021626 dated 08 April 2011, the Property is situated at No.28 Yet Kieu Street, Kim Tan Ward, Lao Cai City, Lao Cai Province with an annual leasehold term, expiring in March 2061. The land is approved for 5-star hotel and entertainment complex developments.

2.49 As advised by Donaco, the land rental is exempted until June 2025. The land rental for the next 5 years (FYs26-30) is fixed at US$109,037per year for total land area.

Owner Particulars

2.50 According to the land use right certificate, the registered owner of the Property is Lao Cai International Hotel Joint Venture Company Limited as at the Valuation date.

2.51 Copy of the building ownership certificate is attached at Appendix 3.

Internal Management Agreement

2.52 As at the Valuation date, the Property is being in-house operated and managed by Aristo International Hotel.

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3. Market analysis

Source of information

3.1 Our market analysis has been undertaken using market knowledge within Knight Frank Petty Limited, enquiries of other agents, searches of property databases, as appropriate and any information provided to us.

3.2 Whilst every care is taken to ensure its accuracy and authenticity, Knight Frank does not warrant or represent that such information is free from errors. Whenever possible, the report is based on data available to us as at the Valuation date.

Overview of Vietnam

3.3 Vietnam is located on the south-eastern part of Asia, bordering China to the north and Laos and Cambodia to the west. It covers an area of about 331,000 square kilometres. The country is bounded on the east by the Gulf of Thailand.

Vietnam Economic Overview

3.4 Despite recent global macro-economic headwinds, as of Q1 2025, Vietnam's GDP grew by 6.9%, marking the highest Q1 growth over the past 5 years. In which, the industry and construction sector indicated the robust performance, accounting for 40.2% of total added value to the economy, up 7.4% year-over-year, driven by processing and manufacturing. Besides, services remained as the leading contributor with over 53.7% of total value, up 7.7% year-over-year, fuelled by the improving consumption demand during Lunar New Year holiday and increasing number of tourist arrivals.

3.5 During Q1 2025, it witnessed an upward trend in FDI attraction. Total FDI registrations in the first 3 months reached approximately US$ 11 billion, marking a 34.7% increase compared to the same period last year. Disbursed FDI reached around US$ 5 billion, up 7.2% compared to Q1 2024.

3.6 Vietnam's trade sector recorded positive results during Q1 2025. Total exports reached US$ 102.8 billion, up 10.6% year-over-year. Of which, around 88.4% of total export revenue came from manufacturing industries, equivalent to US$ 93.5 billion. Imports increased by 17% year-over-year, reaching US$ 99.7 billion. Compared to US$ 7.7 billion of Q1 2024, total trade surplus dropped by half to around US$ 3.2 billion. Regarding trading partners, US and China remained Vietnam's key export and import markets during the first quarter.

3.7 Infrastructure development remained a key national priority in 2025, with several major projects advancing significantly. Construction on the North–South Expressway (Eastern Cluster) proceeded rapidly as Vietnam works toward expanding its expressway network to 3,000 km by the end of 2025, up from about 2,021 km in operation by late 2024. New expressway segments launched during the year have improved connectivity among major economic zones. Additionally, the new Long Thanh International Airport near Ho Chi Minh City, with a planned investment of US$ 14 billion, moved closer to completion and is on schedule for an essential finish in 2025. Once operational, this airport will be

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the largest in Vietnam, easing the burden on Tan Son Nhat Airport and enhancing the capacity for trade and tourism.

3.8 The industrial sector experienced a strong rebound in Q1 2025. The national Index of Industrial Production (IIP) rose by 7.8% year-over-year, marking a significant improvement over the previous year (Q1 2024: up 5.9%). Manufacturing output increased as export orders recovered, and companies ramped up production to satisfy both international and domestic demand. Specifically, the manufacturing and construction sub-sector grew by approximately 9.3%, contributing around 36.3% of the economy. Key industries such as electronics, apparel, and machinery reported double-digit growth following a period of sluggish performance. This industrial upswing played a critical role in pushing Vietnam's GDP beyond target levels, although challenges such as rising input costs and earlier issues with power supply did persist.

3.9 In Q1 2025, over 72,900 enterprises were newly established and back to normal operation nationwide, up 18.6% compared to last year.

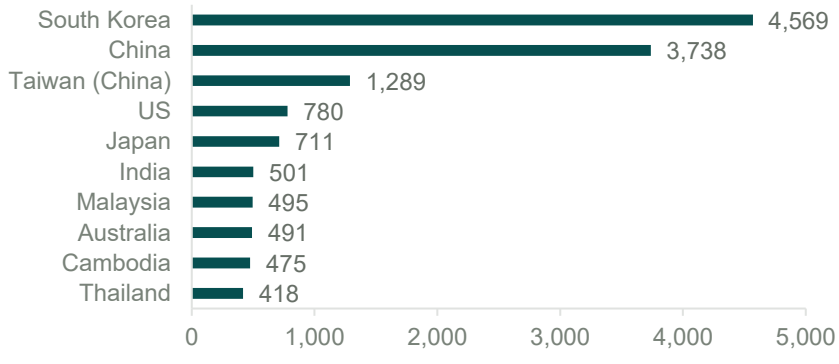
3.10 In Q1 2025, total retail sales and revenue from consumer services at current prices are estimated at VND 1,708.3 trillion, up 9.9% compared to 2024.

3.11 The average Consumer Price Index (CPI) in Q1 2025 rose by 3.2% compared to Q1 2024. Core inflation for the entire first quarter went up by 3% year-over-year.

Tourism

3.12 According to the Vietnam National Authority of Tourism, Vietnam received more than 17.5 million international visitor arrivals in 2024 amid expanded air connectivity, open visa policies and focused tourism promotion. This represents a 40% growth over 2023. South Korea remained the biggest source market in 2024 with 4.5 million arrivals (26% of total). China ranked second with 3.7 million (21% of total).

3.13 Top 10 source markets of Viet Nam in 2024 (thousands of arrivals)



Source: Vietnam National Authority of Tourism

3.14 Markets in Northeast Asia were key drivers of international visitor growth in 2024. In particular, the Chinese market increased by 214% compared to 2023, followed by South Korea (+27%), Japan

(+21%), Taiwan (+51%). Nearby markets in Southeast Asia grew well, including Indonesia (+75%), the Philippines (+74%), Laos (+23%), Cambodia (+18%), Singapore (+6%) and Malaysia (+5%). The Thai market decreased by about 15%.

3.15 Positive growth was also seen in European markets, such as the UK (+21%), France (+29%), Germany (+25%), Italy (+56%), Spain (+20%), Russia (+85%), Denmark (+22%), Norway (+23%), Sweden (+33%). These are the markets that enjoy an open visa policy effective from August 15, 2023, which allows their citizens to stay in Vietnam temporarily up to 45 days.

3.16 International visitors to Vietnam during the first 3 months of 2025 hit a new record, reaching over 6 million arrivals, increasing by 29.6% year-over-year, marking the highest ever Q1 growth, even compared to pre-pandemic period.

Competitors Analysis

3.17 In arriving the estimation of the value of a lodging facility, the projection of its attainable average rate is more formally defined as the average rate per occupied room. The average rate can be calculated by dividing the total room revenue achieved during a specified period by the number of rooms sold during the same period. The average rate and the anticipated occupancy percentage are used to project room revenue, which in turn provides the basis for developing an opinion of most other income and expense categories.

3.18 Although the average rate analysis presented here follows the occupancy projections, these two statistics are highly correlated; in reality, one cannot project occupancy without making specific assumptions regarding the average rate. This relationship is best illustrated by revenue per available room (RevPAR), which reflects a property's ability to maximize room revenue.

3.19 We have analysed the ADR and RevPAR levels of the competitive hotels within the vicinity to arrive at the indicated ADR of the Property.

3.20 Comparable sets of hotel and serviced apartment components are listed out below:

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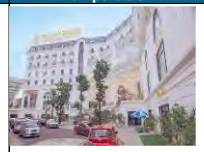
Comparable Evidence – Hotel Component

Comparable Evidences	Subject Property	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Photos								
Project	**Aristo International Hotel**	**Hotel De La Coupole - Mgallery**	**Silk Path Grand Sa Pa**	**Muong Thanh Grand Lao Cai**	**Duc Huy Grand Hotel**	**SoJo Lao Cai**	**Lao Cai Star**	**Sapaly Lao Cai**
Address	28 Yet Kieu	1 Hoang Lien	Doi Quan 6	86 Thanh Nien	72 74 Tran Hung Dao	2 An Duong Vuong	3 Hoang Lien	48 Nguyen Hue
District	Lao Cai	Sa Pa	Sa Pa	Lao Cai	Lao Cai	Lao Cai	Lao Cai	Lao Cai
City	Lao Cai	Lao Cai	Lao Cai	Lao Cai	Lao Cai	Lao Cai	Lao Cai	Lao Cai
Type of Project	Hotel	Hotel	Hotel	Hotel	Hotel	Hotel	Hotel	Hotel
Grade/ Class	5-star	5-star	5-star	4-star	4-star	3-star	4-star	4-star
Number of Rooms/ Units	393	249	152	195	87	134	141	119
Room Size (sqm/ unit)	26 - 56	33 - 180	33 - 123	33 - 76	25 - 90	18	25 - 60	32 - 77
City view/ River view	City view	Garden view	Garden view	City view	City view	City view	City view	City view
Current Accessibility	Via: - Yet Kieu Street is approximately 12m wide, dual direction street. - Nguyen Hue Street is approximately 25m wide, dual direction street.	Via: - Hoang Lien street is approx. 10m wide, dual direction street. - Fansipan street is approx. 10m wide, dual direction street.	Via: - Main alley of Thac Bac street is approx. 6m wide, dual direction street.	Via: - Thanh Nien Street is approximately 15m wide, dual direction street.	Via: - Tran Hung Dao Street is approximately 40m wide, dual direction street;	Via: - An Duong Vuong Street is approximately 12m wide, dual direction street	Via: - Hoang Lien Street is approximately 12m wide, dual direction street	Via: - Nguyen Hue Street is approximately 12m wide, dual direction street
Surrouding Developments	Located in Core CBD of Lao Cai City with Mixed-Use buildings including shophouses, hotels, markets ... and Government's Offices.	Located in Core CBD of Sa Pa district with Mixed-Use buildings including hotels, market, shophouses ... and Government's Offices.	Located in rural area of Sa Pa district with vacant lands and development sites	Located in Core CBD of Lao Cai City with Mixed-Use buildings including shophouses, hotels, markets ... and Government's Offices.	Located in Ring's CBD of Lao Cai City with Mixed-Use buildings including shophouses, hotels, markets ... and Government's Offices.	Located in Core CBD of Lao Cai City with Mixed-Use buildings including shophouses, hotels, markets ... and Government's Offices.	Located in Core CBD of Lao Cai City with Mixed-Use buildings including shophouses, hotels, markets ... and Government's Offices.	Located in Core CBD of Lao Cai City with Mixed-Use buildings including shophouses, hotels, markets ... and Government's Offices.
Range of Room Rate (mill VND/room/night++)		**2.87 - 8.85**	**2.21 - 8.72**	**0.76 - 1.27**	**1.29 - 3.63**	**0.94 - 1.17**	**0.94 - 3.83**	**0.96 - 1.88**
Average Standard Room Rate (VND/room/night++)		**2.87**	**2.21**	**0.76**	**1.29**	**0.94**	**0.94**	**0.96**
Average Junior Suite Room Rate (VND/room/night++)		**5.35**	**5.98**	**1.27**	**2.76**	**1.17**	**1.72**	**1.31**
	Standard *Deluxe* *Junior Suite* *Suite*	*Classic* *Superior* *Deluxe* *Deluxe King Suite* *Executive King Suite*	*Classic* *Junior Suite* *Executive Suite* *Duplex* *Ambassador Suite* *Bungalow* *Presidential Suite*	*Deluxe* *Executive Suite*	*Deluxe* *Superior* *King Room* *Junior Suite* *Executive Suite* *Family Suite*	*Deluxe*	*Superior* *Deluxe* *Suite* *VIP*	*Deluxe* *Junior Suite* *Executive Suite*

Notes:

The above evidence is collected from many internal and external sources including newspapers, the internet, and brokers that are available at the date of valuation advisory. We believe these are reliable. However, we reserve the right to review this report should there be any change in the information that we have been provided.

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Map of the comparable:



	The Property
	Comparable Evidences
1	Hotel De La Coupole - Mgallery
2	Silk Path Grand Sa Pa
3	Muong Thanh Grand Lao Cai
4	Duc Huy Grand Hotel
5	SoJo Lao Cai
6	Lao Cai Star
7	Sapaly Lao Cai

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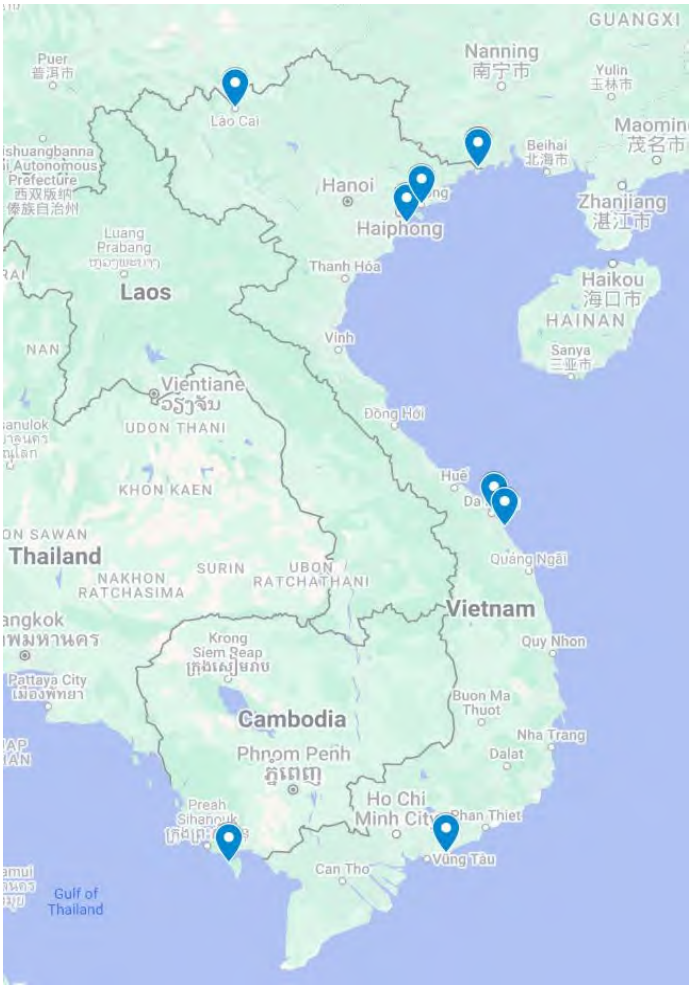
Casino Gaming Market Overview

3.21 From a nation which ban casino gaming for centuries, Vietnam has experienced significant growth and transformation in recent years.

Major Casinos in Vietnam

3.22 According to the Minister of Finance of Vietnam, there are nine casino projects in the country. About 6 of them are small-scaled ones, while there are also three major casinos located in Nam Hoi An (Quang Nam Province); Ho Tram (Ba Ria - Vung Tau Province) and Phu Quoc (Kien Giang Province) respectively.

Location Map of major casinos in Vietnam



Note: There are two casinos in Mong Cai City, Quang Ninh Province at the north-eastern tip of Vietnam bordering China
Source: Map data ©2025 Google

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3.23 Eight of the nine casinos were licenced before Marh 2017, when the government began the trial project allowing Vietnamese to gamble designated casino at Phu Quoc which began operations in early 2019. These nine casinos totalled approximately 500 gaming tables and 5,700 slot machines.

3.24 There are currently two projects that have been approved by the Government for investment and are currently under construction, which are casinos in Khanh Hoa and Thua Thien Hue.

Policy overview

3.25 Casino operations in Vietnam are subject to a variety of laws and regulations. These include a US$ 2 billion minimum capital investment, designated casino locations, various requirements in casino facilities, management and other financial requirements.

3.26 In terms of regulations on casino players, Vietnam maintains strict rules governing casino access. The Government restricts citizen access to casinos, while only permits foreign tourists to enter the casinos. A pilot programme was introduced in 2016, allowing citizens who met criteria to enter the designated casino in Phu Quoc. This included proof of a minimum monthly income of VND10 million, paying entry fees of VND 1 million per day or VND25 million for a monthly pass. The pilot programme was suspended by the end of December 2024.

3.27 Vietnam lacks a dedicated national regulatory agency nor licensing framework for casino gaming to date. The regulation of gambling and the prevention of related criminal activities involve multiple institutions, including the Ministry of Finance (MOF), the Ministry of Public Security, the Office of the Prime Minister, and various provincial authorities.

Performance indicators

3.28 Vietnam's casino gaming revenue saw substantial growth in recent years. According to information released by the Minister of Finance to the National Assembly, casino gaming revenue fell sharply in 2021, due to the impact of Covid. The market improved since 2022 when foreign visitors started to return.

3.29 Market improved markedly in 2023. The State budget contributions from the casino business reached more than VND 2.54 trillion, a 56 % increase compared to 2022.

Lao Cai Tourism Development

Lao Cai 2050

3.30 Lao Cai Provincial People's Committee issued Decision No. 2626/QD-UBND promulgating the Strategic Framework for Tourism Development in Lao Cai Province to 2030, with a vision to 2050.

3.31 The vision of Lao Cai tourism is defined as: "By 2050, Lao Cai will become the leading "green" and "smart" nature and adventure sports tourism destination in Vietnam and the region".

3.32 Lao Cai has identified 5 tourism development orientations, which are: product - market development orientation, prioritizing specific products, such as: high-end resort accommodation; adventure sports;

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community culture; ecology; agriculture associated with OCOP and MICE products. Focus on exploiting the domestic market and attracting the Northeast Asian and ASEAN markets.

Sapa Airport

3.33 Sapa airport also known as Lai Cai Airport, is a significant upcoming project situated approximately 35 km south of Sapa in the province of Lao Cai, Vietnam.



Source: Sapa-airport © trekkingtoursapa

3.34 The Groundbreaking ceremony of Sapa Airport was held on March 2022 marking the start of construction of Sapa Airport. The government expects the construction time to be around 4 years.

3.35 The Sapa Airport will meet the 4C standards of the International Civil Aviation Organization, once completed will be capable of process 1.5 million passengers per year.

3.36 In the next 20 years, tourism has been identified as the province's key economic sector in the strategy on development of Lao Cai's tourism economy. With the construction of the Sapa Airport and Lao Cai 2050 policy, it will bring more tourists to Lao Cai which expected to welcome ten of millions of arrivals, including many international visitors through the boarder gate every year. It will boost the Lao Cai's tourism and gaming industry

Lao Cai Overview

3.37 Làо Cai is the capital city of Làо Cai Province, bordering Yunnan Province of China. With a population of about 130,000, the city is one of the major hubs for trade and investment between Vietnam and southwest China due to its proximity. This also creates opportunities for tourism and gaming leisure.

Economy

3.38 During Q1 2025, Lao Cai Province witnessed a positive recovery in terms of economic growth. For the first quarter of 2025, the province recorded a 5.6% growth in Gross Regional Domestic Product

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compared to 5% of Q1 2024, ranked 13rd in the northern midlands and mountainous region and 56 out of 63 provinces nationwide. Among the sectors, services remained the key driver of provincial economic growth, expanding by 8.7% and contributing approximately 3.7 percentage points to the GRDP growth rate. Meanwhile, the agriculture, forestry, and fishery sector, along with industry and construction, contributed around 0.5 and 1 percentage point, respectively, to the GRDP growth.

3.39 In Q1 2025, the industrial and handicraft production value of Lao Cai Province reached around VND 9,600 billion, down 3.2% compared the same period in 2024, equal to nearly 16% of the 2025 plan. The slight decrease in production capacity during the quarter came from holiday season, major maintenance requirements for machinery and equipment in some factories, and input material shortage like fertilizers, chemicals, copper, etc. In general, mining, processing and hydropower industries are the main contributors to the province's industrial production over years.

3.40 In Q1 2025, total retail sales of consumer goods and service were estimated at VND 11,400 billion, increased by 7.1% year-over-year, reaching 22.8% of 2025 target. The substantial domestic consumption demand, coupled with the influx of tourist arrivals to the province over the period, especially during Lunar New Year Holiday season has driven the vibrant trading activities across the province.

3.41 Total imports of Lao Cai Province in Q1 2025 recorded a significant increase of 57.1% year-over-year to US$ 215.5 million, hit around 9.8% of the whole year plan. However, total export turnover dropped by approximately 14% to US$ 205.1 million in the first 3 months.

Tourism

3.42 During Q1 2025, Lao Cai welcomed over 3 million tourist arrivals, including 0.3 million international visitors and 2.8 million domestic travellers, marking a 50% increase compared to the same period last year. Lao Cai City and Sa Pa is considered as the favourite tourism destinations, attracting around 0.4 million and 0.5 million tourists as of Q1 2025, respectively. The surge in tourist arrivals in the first 3 months bolstered the provincial tourism revenue to around VND 10,200 billion, equivalent to a 60% increase compared to Q1 2024. This indicated a clearer sign for the stronger rebound of the province's hospitality market. By 2025, total number of both foreign and local visitors to Lao Cai is planned to double the pre-pandemic level, reaching around 10 million arrivals.

3.43 As of Q1 2025, the province has 27 valid FDI projects with total registered capital of nearly US$ 728 million, reducing by one project compared to Q1 2024, mainly allocated in mining, manufacturing, and tourism – service sector. Despite several infrastructure upgrades, the relatively high logistics costs between Lao Cai and other developed areas like Hanoi or Hai Phong, mainly from quite long distance, have a significant impact on the FDI attraction activities across the province over years. However, the local authority has strived to improve the business environment as well as offer more favourable investment policies to attract new big investors.

3.44 The strategic location as a key gateway to China, along the Kunming – Hai Phong economic corridor is the key competitiveness advantage of Lao Cai compared to other provinces in the region. To become an emerging investment destination, the authority has made several efforts to enhance the transportation networks via a series of major infrastructure projects, such as Noi Bai – Lao Cai Highway

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towards Sa Pa, Lao Cai – Hanoi – Hai Phong Railway, Bat Xat (Lao Cai) – Ba Sai (China) pedestrian bridge, Lao Cai station (Vietnam) – Ha Khau Bac (China) connection, etc. In addition, the province has proposed to develop new Sa Pa Airport, following the International Civil Aviation Organisation standards, with a designed capacity serving up to 3 million passengers per annum. Once being fully completed; these projects would be key drivers for Lao Cai to become a key trade centre and tourism hub in the region in the coming years.

3.45 There is only one licensed casino in Lào Cai city, namely Aristo Casino. Located at the city centre, it is about 5-minute-drive from the Ga Lào Cai railway station - the major transportation link between Lao Cai and Yunnan.

Table 3: Location Map of major casinos in Vietnam



Note: there are two casinos in Mong Cai City, Quang Ninh Province at the north-eastern tip of Vietnam bordering China
Source: Map data ©2025 Google

Lao Cai Hotel Market Overview

3.46 Owing to great natural advantages and its proximity to the Vietnam – China border, Lao Cai Province emerged as a key tourism centre in the northern region. Besides, the province benefits from being home to 25 different ethnic groups, offering a rich calendar of festivals and cultural events throughout the year that attract a growing number of tourists. The strong growth of tourism sector paves the way for the further development of hospitality market in Lao Cai Province.

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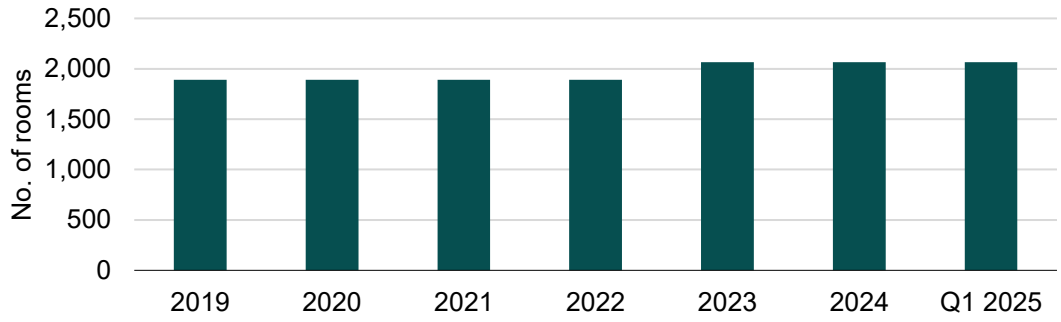
3.47 Since 2023, Lao Cai hospitality market welcomed the latest 5-star hotel property coming into operation, namely Lady Hill Sapa Resort, providing 174 keys in total. Between 2024 and Q1 2025, the market recorded no new premium hotel project across the province. As of Q1 2025, the upscale hotel market in Lao Cai Province recorded a total of 13 projects, bringing total existing supply to over 2,000 rooms. Of which, 4-star hotel segment dominated the market in terms of rooms with total 9 projects, marking 52.8% of total stock. Meanwhile, due to large-scale hotel developments up to 400 rooms, 5-star hotels accounted for around 47.2% of total supply with only 4 projects.

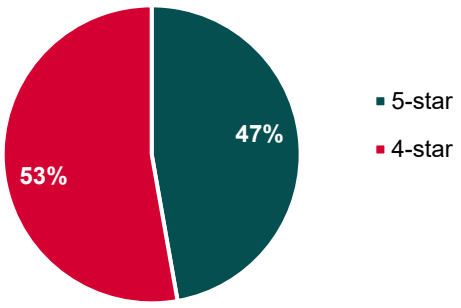
Total 4-5-star Hotel Supply, 2019 - Q1 2025



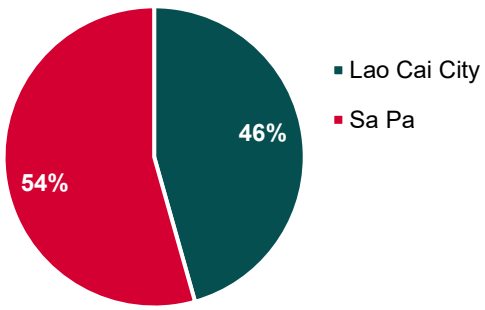
Source: Knight Frank Vietnam Research

3.48 Regarding location, as a favourite tourism destination for international tourists, Sa Pa is considered the key hub for premium hotel developments in Lao Cai, accounting for 54.4% of total rooms. Thanks to great infrastructure networks and its reputation as major socio-economic centre of the province, Lao Cai City is also a key hotel cluster in the province, contributing 45.6% to the total 4-5-star hotel supply.

Total Supply by Grade



Total Supply by Location



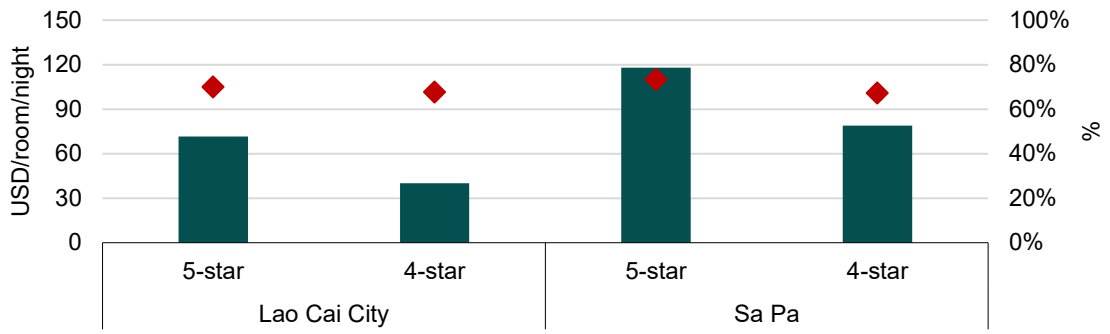
Source: Knight Frank Vietnam Research

3.49 The stronger rebound of international tourists, coupled with the rising demand from local visitors in recent years has driven the robust performance of Lao Cai hospitality market, especially for upscale hotel segment. As of Q1 2025, ADR of 4-5-star hotel in the province was quoted at USD 78.2 per room

per night in average. Notably, average room rate of some notable hotels in key tourism spots across Sa Pa even climbed to over USD 100 per room per night during the peak season. Meanwhile, majority of upscale hotels in Lao Cai City ranged from USD 60 – 85 per room per night on average at the reporting time.

3.50 The increasing demand for premium lodging services over the first 3 months boosted the average room occupancy rate to around 70% at the reporting time. In addition, due to the relatively small market size, with around 2,000 keys in total, equivalent to an average of 160 rooms per project, the 4-5-star hotel market in Lao Cai Province maintained positive occupancy over the period.

4-5-star Hotel ADR and Occupancy Rate



Source: Knight Frank Vietnam Research

3.51 Over the past 2 years, Lao Cai tourism sector has shown a positive recovery from the heavy impact of Covid-19 pandemic. Since 2023, total number of tourist arrivals to Lao Cai has reflected an upward trend, even surpassed the pre-pandemic level. In 2024, despite the Yagi Typhoon, Lao Cai tourism market hit a new record of around 8 million tourist arrivals, one of the top leading provinces among the northern midlands and mountainous region. In the same year, Sa Pa was recognized as one of top 5 trending travel destinations worldwide, according to TripAdvisor. During the peak season of Q1 2025, it continued to see the surge in terms of tourist attraction, due to a wide variety of cultural festivals taking place around the province, such as Thuong Temple festival, Long Tong festival, etc

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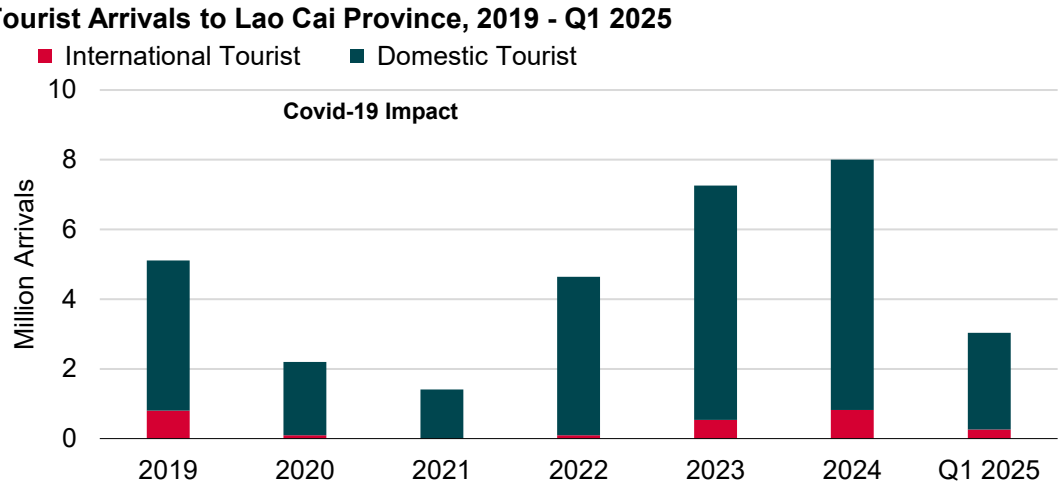

Source: Knight Frank Vietnam Research

3.52 Since 2023, a new Golden tourist route named "Two countries – Six destinations" including Kunming, Honghe Hani (China), Lao Cai, Hanoi, Hai Phong and Quang Ninh (Vietnam) has been launched, aiming to foster cross-border tourism links between Vietnam and China. It marked a key milestone for Lao Cai tourism landscape, as China is one of largest international source markets to the province over the past years.

3.53 Apart from infrastructure improvements, the local authority has prioritized to promote community-based tourism strategy via the introduction of many attractive tourism products in line with cultural identities of local ethnic minority groups, notably in Ta Phin, Lao Chai, Cat Cat (Sa Pa), Ta Chai, Na Hoi, Ban Pho, Trung Do (Bac Ha), etc. This is considered the key highlight of Lao Cai tourism to attract the increasing number of both international visitors and local travellers in recent years.

3.54 Beside traditional tourism products, MICE tourism has emerged as a new development direction for Lao Cai Province. Thanks to the infrastructure upgrades, Lao Cai is becoming an ideal destination for MICE tourists with a series of big events such as Lao Cai International Travel Mart 2025, National Youth Classical and Freestyle Wrestling Championship 2024, "Touch Sa Pa – Touch the clouds" tourism stimulus program 2024, etc. The growth of MICE tourism would be key demand driver for high-class accommodation facilities and conference services across the province in the coming period.

3.55 Looking ahead to the next 3 years, Lao Cai 4-5-star hotel market would welcome an addition of approximately 1,200 keys from 4 new branded properties. The presence of several new international hoteliers including IHG, JW Marriott, and Ascott is considered as a great signal for the robust growth of Lao Cai hospitality market in upcoming time. The increase in the total supply of branded hotel is expected to drive market-wide room rate to new heights. Regarding development site, Sa Pa and Lao Cai City remain to be key hotspots for premium lodging services, thus strengthening their position as leading tourist destinations in Vietnam.

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Marketing history of The Property

3.56 We have made enquiries of you as to whether there has been any recent transaction or agreed sale price relating to the Property. You have not revealed to us any information in response to this enquiry. If such information comes to light before the report is finalised, the matter must be referred back to the valuer for further consideration of its effect on Market Value.

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4. Valuation

Valuation Methodology

4.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

4.2 According to the Client's requirement and the nature of the Property – which is an operating casino and hotel complex, we have considered the following approaches to arrive at the valuation of the Property:

- **Going Concern**: Income Approach – Discounted Cash Flow ("DCF") analysis
- **Vacant Possession**: Income Approach – Discounted Cash Flow ("DCF") analysis and Cost Approach

Income Approach – DCF Analysis

4.3 Income Approach – DCF analysis is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to operating real properties. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the Property. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the reversionary or terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

4.4 We have undertaken the DCF analysis on a yearly basis over a 10-year investment horizon. The net income in the year 11 is capitalized at an appropriate yield over the remaining land lease term. This analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of both income and capital growth over the investment horizon.

Cost Approach (Casino FF&E)

4.5 Cost Approach has been adopted in assessing the value of Casino FF&E, taking into account the assets' depreciation or loss of value over time and the cost of replacing the assets. Cost Approach values the assets by making reference to the accumulating costs that would be incurred in order to replace or reproduce the assets in their current condition. This approach is generally applied to the valuation of assets through the depreciated replacement cost method.

Market Approach

4.6 We have crosschecked our valuation by Market Approach. We have made reference to the recent market sales evidence which is available in the market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property and the comparable

properties such as location, size, age, condition, quality and view in arriving at our opinion of the market value.

Valuation Considerations – Going Concern Basis

4.7 For Going Concern Basis, it is assumed that the licenses for hotel and casino operations were valid and the Property will continue to be operated under the current brand name on an "As Is" basis as a casino cum hotel/resort with 8 table games, 88 slot machines and 353 hotel rooms being in use and operational as at the Valuation Date.

Income Approach – DCF Analysis

4.8 When determining the key parameters in our DCF Analysis, we have mainly considered hotel and casino market in Lao Cai as well as historical trading data and budget of the Property.

4.9 **Market Considerations**: Vietnam hhospitality sector remains at the first steps of the post-Covid recovery. While occupancy is positive, actual ADR's performance is still modest. Coupled with an expected mild growth in international tourism and stabilizing Vietnam economy, we expect occupancy level and hotel ADR to pick up again in 2025.

4.10 Over the past 2 years, Lao Cai tourism sector has shown a positive recovery from the heavy impact of Covid-19 pandemic. Since 2023, total number of tourist arrivals to Lao Cai has reflected an upward trend, even surpassed the pre-pandemic level. The stronger rebound of international tourists, coupled with the rising demand from local visitors in recent years has driven the robust performance of Lao Cai hospitality market, especially for upscale hotel segment.

4.11 In the longer term, government initiatives in infrastructure, including the proposed Noi Bai – Lao Cai Highway towards Sa Pa, Lao Cai – Hanoi – Hai Phong Railway, Bat Xat (Lao Cai) – Ba Sai (China) pedestrian bridge, Lao Cai station (Vietnam) – Ha Khau Bac (China) connection as well as the proposed new Sapa Airport will continue to bode well for Lao Cai's tourism and hospitality industry.

4.12 **Profit and Loss Projections:** In preparing our profit and loss projections, we have also made reference to the historical and forecast trading performance as provided by Donaco, and we have assumed that the Property will initially trade at a conservative occupancy and revenues. We have assumed that thereafter, revenues would gradually increase and that the hotel would require a period of about five years to reach a stabilised trading position, in accordance with our expectations of the market.

4.13 **Land rental payable to the State:** According to the provided legal documents, the Property is an annual land rental fee. We have been confirmed by Donaco that the annual land rental of US$109,032 per year is the current rate to be applied and is fixed from June 2025 to June 2030.

4.14 At the Valuation Date, we have not been provided with any legal documents related to the regulations on land rent increase rates. We have referred to circular No. 333/2016/TT-BTC dated 26 December 2016 and Circular 20/VBHN-BTC dated 25 June 2018 regulating the escalation in the rental rate of the annual payment contract. The rental is adjusted every five years and will be adjusted under the land law afterward. We have applied the escalation in the rental rate of the annual payment contract with

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15% of the previous rate. We have assumed that no change in the land lease contract during the remaining lease term including the rental terms. We have adopted an overall discount rate of about 5.0% considering the opportunity cost of the rental payable. The resulting total net present value of the land rental fee is US$ 1,802,906.

4.15 It would be highlighted that the above indicative budget is for reference purpose only and is strictly based on Donaco and the Client's confirmation and instruction, our best estimation and available information/ guidance collected as of the assignment date. This should not be considered as an official confirmation and/or a guarantee in any aspects. Potential investors should not rely on any material contained in this report as a statement or representation of fact but should satisfy themselves as to its correctness by independent investigation and review of the valuation advisory report to understand the assumptions and methodologies stated in the valuation advisories. We reserve the rights to review our report including the market value/ estimated budget as stated if there is any variance raised in the future.

4.16 **Capitalisation Rate Analysis:** Yields derived from transactions of comparable hotels are typically the primary reference for determining the appropriate capitalisation rate applicable in the valuation of a hotel or trading asset. However, even when explicit brand standards are stringently enforced, no two hotels are identical, and full consideration must be given to the trading performance and hotel fundamentals of each comparable sale. Key variables for hotels include their location, size, facilities offered, standards of operation, income mix and the relative competitiveness of their local market. Yet, over the past 24 months, there have not been any evidence of direct comparable casino hotel transactions in Vietnam. As such, we have estimated the yield with reference to our expectations and knowledge on the market. Taking into account the location and characteristics of the Property, we have adopted a terminal capitalisation rate of 20% in our valuation.

4.17 **Discount Rate:** The discount rate used in the DCF analysis reflects the rates of return being required or expected on similar properties in the market. A discount rate of 22.0%, has been adopted in the cash flow model to reflect the location, and the general rate of return in the Vietnam hospitality market, with consideration to the potential economic recovery and growth of Vietnam property market.

4.18 As a considerable portion of the revenue comes from the Casino Portion, we have considered additional risk factors which may have an impact on the operation of the Property. For instance, the majority of casino patrons at the Property come from mainland China. With the Chinese economy facing possible instability due to trade tensions and other domestic challenges, this could adversely affect the Property's operations and cash flow.

DCF parameters

4.19 Having considered the above, we considered the parameters and key assumptions adopted in our DCF analysis to be reasonable.

4.20 The key parameters adopted in the DCF analysis for the Casino Portion are set out as follows:-

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Casino Portion	Adopted Parameters	Remarks
No of Table Game and Slot Machine	Table Games: 8 Slot Machines: 88	Provided by Donaco.
Revenue (approx)	**Table Game:** US$2,098/unit/day in Year 1 **Slot machine:** US$29 /unit/day in Year 1 **Revenue distribution:** **Table Game:** about 87% on total gaming revenue **Slot machine:** about 13% on total gaming revenue	Exclusive of commission and taxes. We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Operating Expenditure (approx)	About 43% on total gaming revenue	Inclusive of gaming cost, marketing cost, staff cost, property cost, travel cost, professional & legal cost, general & admin cost and telecommunication cost. We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Long-term Growth rate	2% per annum	Based on historical and forecasted Profit and Loss statement (P&L) provided by Donaco and the market condition.
Long-term Gross Operating Profit Margin (approx)	About 57% on total gaming revenue	We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Fixed charge (approx)	About 0.1% on total gaming revenue	Inclusive of property insurance. We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.

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Casino Portion	Adopted Parameters	Remarks
Capital Expenditure (approx)	About 5% on total gaming revenue	We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Long-term Net Operating Income Margin (approx)	About 52% on total gaming revenue	We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Terminal Capitalisation Rate (approx)	20%	Please refer to para 4.15 to 4.17
Discount Rate (approx)	22%	Please refer to para 4.15 to 4.17

4.21 The key parameters adopted in the DCF analysis for Hotel Portion (including Retail Portion) are set out as follows:-

Hotel Portion (including Retail Portion)	Adopted Parameters		Remarks
Room Count	353		We have made reference to the information provided by Donaco.
Average Daily Room Rate ("ADR") (US$/night/key) (approx)	Year 1	$37	We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
	Year 2	$38	
	Year 3	$39	
	Year 4	$39	
	Year 5	$40	
Occupancy (approx)	Year 1	50.0%	We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
	Year 2	55.0%	
	Year 3	60.0%	
	Year 4	65.0%	
	Year 5	70.0% (stabilized)	

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Hotel Portion (including Retail Portion)	Adopted Parameters		Remarks
Gross Revenue (approx)	Hotel Revenue Distribution Room Revenue: 81.1% in Year 1; Food & Beverage Revenue: 14.5% in Year 1; Retail Revenue: 4.5%		We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Operating Expenses	44% (approx) of total hotel revenue in Year 1		Inclusive of rooms cost, F&B cost, other operating cost, general & admin cost, sale & marketing cost, property operation & maintenance cost and utility cost. We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Fixed Charges	5.1% (approx) of total hotel revenue in Year 1		Inclusive of property insurance and FF&E reserves. We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
RevPAR (US$/night/key) (approx)	Year 1	$19	Inclusive of the ADR and Occupancy rate of the hotel. We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
	Year 2	$21	
	Year 3	$23	
	Year 4	$26	
	Year 5	$28	
Long-term Growth Rate	2% per annum		Based on historical and forecasted Profit and Loss statement (P&L) provided by Donaco and the market condition.
Gross Operating Profit Margin (approx)	Year 1	55.9%	We have made reference to the historical and forecasted Profit
	Year 2	56.0%	

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Hotel Portion (including Retail Portion)	Adopted Parameters		Remarks
	Year 3	56.5%	and Loss statement (P&L) provided by Donaco.
	Year 4	56.5%	
	Year 5	56.5%	
Net Operating Income Margin (approx)	Year 1	50.8%	We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
	Year 2	50.9%	
	Year 3	51.4%	
	Year 4	51.4%	
	Year 5	51.5%	
Terminal Capitalisation Rate (Net) (approx)	20.0%		Please refer to para 4.15 to 4.17
Discount Rate (approx)	22.0%		Please refer to para 4.15 to 4.17

Valuation on Going Concern Basis by Income Approach

4.22 Considering the above, we are of the opinion that the Market Value of the Property on Going Concern Basis by Income Approach was in sum of **US$24,880,000.** This is equivalent to an overall average unit rate of approximately US$470 per sq m on total gross floor area of the Property as at the Valuation Date.

4.23 The valuation calculations are attached at **Appendix 4**.

Market Evidence

4.24 After arriving at our opinion of Market Value of the Property on Going Concern Basis by Income Approach, we have then made reference with relevant market information as available in the market. Summaries of these information are highlighted below: -

No.	HOTELS TRANSACTION	Location	Buyer	Seller	Star rating	Transaction date	Transacted value (US$)	Tenure	Total rooms	Value per room (US$ / room)
1	A 4-star Hotel & Resort at Hoian City	Quang Nam	N/A	Confidential	4 star	Asking Q1 25	50,000,000	2054	222	**225,225**
2	Somerset Central TD Hai Phong City	Hai Phong	Ascott Residence Trust	Ascott Limited	4 star	2022	17,461,872	2075	132	**132,287**
3	Hilton	Danang	First Real Land JSC (Vietnam)	Bach Dang Complex Company	5 star	2023	22,645,367	(est.) 2055	223	**101,549**
4	Feesia Hotel	Lao Cai	N/A	N/A	4 star	Asking Q2 25	7,097,792	2068	80	**88,128**
5	Hoang Anh Gia Lai Hotel	Gia Lai	Muong Thanh Group	Hoang Anh Gia Lai Group	4 star	2023	7,097,792	2053	117	**60,259**
6	Lao Cai Liberty Hotel & Events	Lao Cai	N/A	N/A	3 star	2024	2,365,931	(est.) 2055	40	**58,752**
7	Lao Cai Galaxy Hotel	Lao Cai	N/A	Nhat Minh ITT JSC	3 star	Asking Q2 25	3,154,574	2054	56	**55,954**

Notes:

The above evidence is collected from many internal and external sources including newspapers, the internet, and brokers that are available at the date of valuation advisory. We believe these are reliable. However, we reserve the right to review this report should there be any change in the information that we have been provided.

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Valuation Considerations – Vacant Possession Basis

4.25 For Vacant Possession Basis, it is assumed that the Property to be a 393-room hotel with the contents, fixtures, fittings and other guest facilities fully available therein to the hotel guest and the casino is no longer in operation. The space previously utilized for casino operations is assumed to be available for alternative use or lease to third-party tenants (the "Repurposed Area") with potential for additional rental income. The estimated values of the existing Casino FF&E are also reflected in our valuation.

Income Approach – DCF Analysis

4.26 When determining the key parameters in our DCF Analysis, we have mainly considered hotel and casino market in Lao Cai and budget of the Property.

4.27 **Market Considerations**: Vietnam hospitality sector remains at the first steps of the post-Covid recovery. While occupancy is positive, actual ADR's performance is still modest. Coupled with an expected mild growth in international tourism and stabilizing Vietnam economy, we expect occupancy level and hotel ADR to pick up again in 2025.

4.28 Over the past 2 years, Lao Cai tourism sector has shown a positive recovery from the heavy impact of Covid-19 pandemic. Since 2023, total number of tourist arrivals to Lao Cai has reflected an upward trend, even surpassed the pre-pandemic level. The stronger rebound of international tourists, coupled with the rising demand from local visitors in recent years has driven the robust performance of Lao Cai hospitality market, especially for upscale hotel segment.

4.29 In the longer term, government initiatives in infrastructure, including the proposed Noi Bai – Lao Cai Highway towards Sa Pa, Lao Cai – Hanoi – Hai Phong Railway, Bat Xat (Lao Cai) – Ba Sai (China) pedestrian bridge, Lao Cai station (Vietnam) – Ha Khau Bac (China) connection as well as the proposed new Sapa Airport will continue to bode well for Lao Cai's tourism and hospitality industry.

4.30 **Profit and Loss Projections:** Under the assumption of vacant possession, we have modelled the Property as if it were to be taken over by a new third party operator but with the full 393 room count without the benefit of existing branding, systems or historical trading momentum. As such, we have assumed a conservative initial performance level, with lower occupancy and average daily rates (ADR) in the early years, reflecting the time typically required for a new entrant to establish market presence, reconfigure operations and build up guests.

4.31 In our projections, we have allowed for a ramp-up period of approximately five years before reaching a stabilised trading position, in line with general market expectations for repositioned hospitality assets in Vietnam. Performance assumptions have also been informed by the market benchmarks.

4.32 **Capitalisation Rate Analysis:** It would be highlighted that the above indicative budget is for reference purpose only and is strictly based on Donaco and Client's confirmation and instruction, our best estimation and available information/ guidance collected as of the assignment date. This should not be considered as an official confirmation and/or a guarantee in any aspects. Potential investors should not rely on any material contained in this report as a statement or representation of fact but should satisfy

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themselves as to its correctness by independent investigation and review of the valuation advisory report to understand the assumptions and methodologies stated in the valuation advisories. We reserve the rights to review our report including the market value/ estimated budget as stated if there is any variance raised in the future.

4.33 Yields derived from transactions of comparable hotels are typically the primary reference for determining the appropriate capitalisation rate applicable in the valuation of a hotel or trading asset. We have considered all other transactions that are public alongside historical data to conclude an appropriate cap rate for the Property:

Location	City/ Province	Grade	No. of Room	Tenure (Exp.)	Status	Transacted/ Asking Date	Capitalization Rate (Est.)
Lao Cai	Lao Cai	3 star	56	2054	Operation	Asking Q2 25	11.5% - 12.5%
Lao Cai	Lao Cai	3 star	40	Est. 2055	Operation	2024	12.5% - 13.5%
Pleiku	Gia Lai	4 star	117	2053	Operation	2023	7.5% - 8.5%
Hai Phong	Hai Phong	4 star	132	2075	Operation	2022	7.5% - 8.5%

Please note that the cap rate for the asset classes contained in this report is based on our market expertise. The cap rate ranges were based on available transaction data, as well as demand and supply dynamics in the region. These estimates are meant to encompass the majority of assets within each class and may not represent outlier transactions or deals relating to assets with specific attributes that would significantly differentiate them.

4.34 Taking into account the above market evidence and the nature of the Property (in terms of location, property quality, land tenure, operating performance) as well as the hotel market condition as at the Valuation Date, we have adopted a terminal capitalisation rate of 11% in our valuation.

4.35 **Discount Rate Analysis:** The discount rate used in the DCF analysis reflects the rates of return being required or expected on similar properties in the market. A discount rate of 14.0%, has been adopted in the cash flow model to reflect the location, and the general rate of return in the Vietnam hospitality market, with consideration to the potential economic recovery and growth of Vietnam property market. The adopted discount rate appears realistic when compared to returns available from alternative forms of investment. It indicates a reasonable risk premium at a margin of about 8% to 9% over the prevailing 10-year Government Bond rate which traded at about 3% as at the Valuation Date.

DCF parameters

4.36 Having considered the above, we considered the parameters and key assumptions adopted in our DCF analysis to be reasonable.

4.37 The key parameters adopted in the DCF analysis for the Hotel Portion (including the existing Retail Portion) are set out as follows:-

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Hotel Portion (including the existing Retail Portion)	Adopted Parameters		Remarks
Room Count	393		We have made reference to the information provided by Donaco.
Average Daily Room Rate ("ADR") (approx)	Year 1	$55	We have made reference to the operations of hotels with similar positioning.
	Year 2	$57	
	Year 3	$58	
	Year 4	$60	
	Year 5	$62	
Occupancy (approx)	Year 1	30.0%	We have made reference to the operations of hotels with similar positioning.
	Year 2	40.0%	
	Year 3	50.0%	
	Year 4	60.0%	
	Year 5	65.0%	
Gross Revenue (approx)	Hotel Revenue Distribution • Room Revenue: 57% in Year 1; • Food & Beverage Revenue: 38.4% in Year 1; • Retail Revenue: 4.6%		We have made reference to the operations of hotels with similar positioning.
Operating Expenses (approx)	63.1% (approx) of total hotel revenue		We have made reference to the operations of hotels with similar positioning.
Fixed Charges (approx)	5.1% (approx) of total hotel revenue		Inclusive of property insurance and FF&E reserves. We have made reference to the operations of hotels with similar.

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Hotel Portion (including the existing Retail Portion)	Adopted Parameters		Remarks
Management fee (approx)	5.3% (approx) of total hotel revenue		Inclusive of base fee and incentive fee. We have made reference to the operations of hotels with similar positioning.
RevPAR (US$/night/key) (approx)	Year 1	$16	We have made reference to the operations of hotels with similar positioning.
	Year 2	$23	
	Year 3	$29	
	Year 4	$36	
	Year 5	$40	
Long-term Growth Rate	3% per annum		We have made reference to the GDP growth rate and inflation
Gross Operating Profit Margin (approx)	Year 1	36.9%	We have made reference to the operations of hotels with similar positioning
	Year 2	39.9%	
	Year 3	42.8%	
	Year 4	45.5%	
	Year 5	45.5%	
Net Operating Income Margin (approx)	Year 1	26.5%	We have made reference to the operations of hotels with similar positioning
	Year 2	29.5%	
	Year 3	32.4%	
	Year 4	35.1%	
	Year 5	35.1%	
Terminal Capitalisation Rate (approx)	11.0%		Please refer to para 4.32- 4.34
Discount Rate (approx)	14.0%		Please refer to para 4.35

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4.38 When assessing the Market Value of the Casino Portion on Vacant Possession basis, we have assumed that the casino is no longer in operation and the Repurposed Area is available for alternative use or lease to third-party tenants with potential for additional rental income. The total leasable area of the Repurposed Area is about 1,400 sq m (the "New Retail Portion").

4.39 In estimating the market rent of the New Retail Portion, reference was made to rental transaction that are available in the market. The unit rents shown below are before adjustments to show the discrepancies between the New Retail Portion of the Property and the rental asking comparables and they should not be applied directly before any appropriate adjustments.

4.40 Summaries of these rental asking comparables are highlighted below:-

Comparable	Comp 1	Comp 2	Comp 3
Address	Phu Gia Urban Area - Bac Cuong, Lao Cai City	Phu Gia Urban Area - Bac Cuong, Lao Cai City	No 2, Tran Hung Dao street, Bac Cuong ward
Village / District	Lao Cai	Lao Cai	Lao Cai
Type	A Four-storey shophouse	A Four-storey shophouse	Level 2 shop in The Manor Tower Shopping Mall
Lettable Area (sq m) (approx)	100	300	349
Asking Gross Rental (US$/sqm/month)	US$3.92	US$3.25	US$5.13

Source: Knight Frank

4.41 Having considered the above, the key parameters adopted in the DCF analysis for the New Retail Portion are set out as follows:-

Key Parameters	Adopted	Remarks
Leasable area (approx)	1,400 sq m	We have made reference to the information provided by Donaco
Market Rent (US$/sq m/month) (approx)	US$3	We have made reference to the market evidence. Please refer to para 4.39 - 4.40.
Occupancy (approx)	Year 1: 50% Year 2 and onwards: 85%	We have made reference to the market evidence.

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Key Parameters	Adopted	Remarks
Operating Expenses (approx)	3% on total rental revenue	Inclusive of leasing agency fee and replacement reserves. We have made reference to the market evidence
Long-term Growth Rate	3%	We have made reference to the GDP growth rate and inflation
Term Capitalization Rate (approx)	11%	Please refer to para 4.32- 4.34
Discount Rate (approx)	14%	Please refer to para 4.35

Land rental payable to the State: According to the provided legal documents, the Property is an annual land rental fee. We have been confirmed by Donaco that the annual land rental of US$ 109,037 per year is the current rate to be applied and is fixed from June 2025 to June 2030.

4.42 At the Valuation Date, we have not been provided with any legal documents related to the regulations on land rent increase rates. We have referred to circular No. 333/2016/TT-BTC dated 26 December 2016 and Circular 20/VBHN-BTC dated 25 June 2018 regulating the escalation in the rental rate of the annual payment contract. The rental is adjusted every five years and will be adjusted under the land law afterward. We have applied the escalation in the rental rate of the annual payment contract with 15% of the previous rate. We have assumed that no change in the land lease contract during the remaining lease term including the rental terms. We have adopted an overall discount rate of about 5.0% considering the opportunity cost of the rental payable. The resulting total net present value of the land rental fee is US$ 1,802,906.

Valuation on Vacant Possession Basis by Income Approach

4.43 Considering the above, we are of the opinion that the Market Value of the Property on Vacant Possession Basis by Income Approach was in sum of **US$24,420,000**. This is equivalent to an overall average unit rate of approximately US$461 per sq m on total gross floor area of the Property as at the Valuation Date.

4.44 The valuation calculations are attached at **Appendix 4**.

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SWOT analysis

Strengths	Weaknesses
• Adequate accessibility and visibility with direct frontages to two main commercial streets of Lao Cai City providing convenient connectivity to surrounding districts/ provinces. • Strategic location: The Property is approximately 10-minute drive to the Lao Cai International Border Gate and 15 minutes to the Kim Thanh Border Gate providing high tourism catchment and convenient connection to China. • The only casino and hotel complex in the province provides significant premium/ comprehensive services to the customers.	• Annual land rental payments limit rights over the Property and uncertainty in land rental escalations. • Since its completion in 2014, certain aspects of the building may require upgrades or renovations to meet contemporary standards and maintain competitiveness with newer developments.
Opportunities	**Threats**
• Vietnam's robust economic development can lead to increase demand for hospitality sector. • Limited high-quality hospitality facilities in Lao Cai Province provides premium for the available facilities.	• Competition from the existing/ future supply within the Property as well as surrounding districts. • Rising Operating Costs: Increasing operating costs, such as rent, utilities, and labour, could affect profitability.

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Valuation Bases

Market Value

4.45 Market Value is defined within RICS Valuation - Global Standards / IVS as:

"*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*."

Market Value is also understood as the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Valuation Date

Valuation Date

4.46 The Valuation Date is 17 March 2025.

4.47 We are not aware of any factors that would materially impact our opinion of the Market Value of the Property between the Valuation Date and the date of this report.

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5. Property risk analysis

General comments

5.1 In this section of our report, we summarise the Property related risks which we have identified as part of our valuation report and which we consider should be drawn to your attention. This summary should not be taken to be exhaustive and must be considered in conjunction with the remainder of the report. Nothing in this section should be construed as being a recommendation of taking any particular course of action.

Risks relating to The Property

Legal Title

5.2 We have only reviewed the land register document but have not examined the relevant title deeds of the Property. Advice should be sought from your legal advisor if there is any issue relating to the legal title of the Property.

Obsolescence

5.3 As with all buildings, there is a risk of physical, functional and economic obsolescence over time. While the Property appears to be in operational condition at the time of our inspection, portions of the hotel and supporting infrastructure may require future refurbishment to remain competitive with newer establishments. This includes upgrades to room interiors, mechanical systems, facilities and IT infrastructure to meet evolving guest expectations and operator standards.

Statutory Licences

5.4 The continued operation of the Property, particularly where it includes a casino component, is dependent on various statutory licences and approvals, including but not limited to hotel operating permits, food & beverage licences and gaming licences. Our valuation is provided on the assumption that all necessary permits and approvals are in place and can be renewed without material restriction.

Economic & property market risks

Macro-economic risks

5.5 The world economy is experiencing an economic headwind initiated by the pandemic and compounded by ongoing geopolitical tensions in Europe and Asia that has led to a high inflationary environment.

5.6 As a result of increasing oil and gas prices, the on-going Russia-Ukraine war weighed down on market sentiment and pushed inflation to a decade-long high during 2022 and 2023. The global outlook remains challenging in 2025.

Investor demand

5.7 Investors and businessmen from China were previously pouring in foreign direct investments into the country during pre-covid. Incorporated within part of the recovery plans over post-covid was these highly

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anticipated investments which plummeted, partly due to the global economic headwinds which is then exacerbated by the Russia-Ukraine war and now the Israel-Hamas armed conflict.

5.8 All property owners in Vietnam remained moderately flexible with asking prices and rents.

Property cost

5.9 An unusually higher priced property which translates to large capital investment is likely to attract a limited number of buyers or investors and this may hamper liquidity of the properties during disposal. All property owners in Vietnam remained moderately flexible with asking prices and rents.

5.10 Therefore, the Property may take an unusually long time to dispose.

Availability of finance

5.11 As a highly-dollarized economy, any decisions on the US monetary policy bears a direct impact in Vietnam's liquidity and economy.

5.12 To cushion the global inflation, US's Federal Reserve began tightening its monetary policy by increasing interest rates, thus leading to a rise in cost of borrowing and a liquidity crunch in Vietnam on a nationwide scale.

5.13 Most financial institutions including microfinances were initially able to absorb the rise in cost. However, as the rates kept rising through 2022. By the first half of 2023, the Federal Reserve's interest rate was already at decade-long high which prompted many financial institutions, unable to absorb further costs, to begin reducing loan disbursements and increasing deposit interest rates to improve their liquidity and buffer.

5.14 In addition, the rising cost of financing correlated to the rising cost of late repayments and non-performing loan which tighten bank's lending appetite even further.

5.15 As at Q4 2024, the latest revision of the Federal Reserve (Fed) lowered interest rates may stimulate investment and consumption, potentially boosting sectors like real estate, construction and consumer spending

Income risks

Cashflow

5.16 The income from trading entities is exposed to changes in supply and demand, operational risks and changes in economic conditions. The trading performance of the Property will impact on the market value of the Property and the affordability and sustainability of the market rent.

5.17 Whilst we have made key assumptions that the hotel will achieve a gradual build up in trading performance and requiring 5 years to reach a stabilised trading position. Should our assumptions in this regard ultimately not reflect market reality, then there could be a material impact on our opinions of value.

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Tax Penalty

5.18 The Vietnamese General Department of Taxation (GDT) has determined that floating chips should be classified as revenue. If the Property has treated them as a liability instead of income, there will be tax penalty on the Property.

Valuation risks

5.19 Knight Frank has prepared the Valuation based on the information and data available to us as at the Valuation Date. While the current market is influenced by various policies and regulations, increased global conflicts could add further fluctuations in the real estate market. It must be recognised that enactment of emergency measures, changes in mortgage requirements or international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the Valuation Date may affect the value of the Property.

Quality / quantity of comparable

5.20 Due to the lack of transparency and limited transactional data within the market, in certain instances, we have had to rely on asking prices and anecdotal evidence of transactions. We have assumed that all asking prices and/or sales prices provided are true and correct and are/will be of arm's length transactions between a willing buyer and willing seller, whereby both parties have/will have acted knowledgeably, prudently and without compulsion.

5.21 Key variables for adjustments include location, accessibility, frontage, size (quantum adjustment), buildings/facilities erected thereon, terrain, tenure, land use, restriction, etc.

Valuation Certainty

5.22 Due to the lack of transparency with market data, there is an inherent degree of valuation uncertainty. This is further influenced by the dual-use nature of the asset (hotel and gaming). While every effort has been made to use best available data and sound methodology, the value should be interpreted within the context of these market limitations.

Reversionary Value Uncertainty

5.23 Predicting the reversionary value at the end of the lease is inherently uncertain. Economic conditions, zoning regulations and market trends could be vastly different from what is currently projected. Any changes in land use regulations or the surrounding environment could significantly impact the future value.

Methodology

5.24 You need to be aware that the accounts method requires the input of a large amount of data, which are rarely absolute or precise, together with the making of a large number of assumptions. Small changes in any of the inputs can cumulatively lead to a large change in the site value. Some of the inputs can be assessed with reasonable objectivity, but others require a high degree of professional judgement.

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Sensitivity analysis

5.25 The DCF analysis requires the input of a large amount of data, which are rarely precise, together with the making of many assumptions. Small changes in any of the inputs can cumulatively lead to a large change in the Property value. Some of the inputs can be assessed with reasonable objectivity, but others require a high degree of professional judgement. A common technique used to illustrate this variation is known as sensitivity analysis.

5.26 Sensitivity analysis shows the degree to which the reported value varies when the chosen inputs into the calculation change and should be used to assist in assessing potential risks associated with a valuation, particularly when the valuation inputs are uncertain for any reason.

Conclusion of Market Value on Going Concern Basis

5.27 The following sensitivity analysis relates to the Market Value on Going Concern Basis we have reported:-

Hotel and the existing Retail Portion

Capitalization Rate	Discount Rate				
US$ Thousand	21.50%	21.75%	22.00%	22.25%	22.50%
19.50%	$9,070	$8,960	$8,860	$8,750	$8,650
19.75%	$9,050	$8,940	$8,840	$8,730	$8,630
20.00%	$9,030	$8,920	**$8,820**	$8,710	$8,610
20.25%	$9,010	$8,900	$8,800	$8,690	$8,590
20.50%	$8,990	$8,880	$8,780	$8,670	$8,570

Casino Portion

Capitalization Rate	Discount Rate				
US$ Thousand	21.50%	21.75%	22.00%	22.25%	22.50%
19.50%	$16,490	$16,300	$16,120	$15,940	$15,770
19.75%	$16,460	$16,270	$16,090	$15,920	$15,740
20.00%	$16,430	$16,240	**$16,060**	$15,890	$15,710
20.25%	$16,400	$16,210	$16,030	$15,860	$15,690
20.50%	$16,370	$16,190	$16,010	$15,830	$15,660

5.28 Considering the above, we are of the opinion that the Market Value of the Property on Going Concern Basis is in the range of **US$24,230,000 to US$25,560,000** as at the Valuation Date.

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Conclusion of Market Value on Vacant Possession Basis

5.29 The following sensitivity analysis relates to the Market Value on Vacant Possession Basis we have reported:-

Hotel and the existing Retail Portion

Capitalization Rate	Discount Rate				
US$ Thousand	13.50%	13.75%	14.00%	14.25%	14.50%
10.50%	$23,150	$22,750	$22,360	$21,980	$21,610
10.75%	$22,960	$22,570	$22,180	$21,800	$21,430
11.00%	$22,770	$22,380	**$22,000**	$21,630	$21,260
11.25%	$22,590	$22,210	$21,830	$21,460	$21,090
11.50%	$22,420	$22,040	$21,660	$21,290	$20,940

New Retail Portion

Capitalization Rate	Discount Rate				
US$ Thousand	13.50%	13.75%	14.00%	14.25%	14.50%
10.50%	$2,440	$2,430	$2,430	$2,420	$2,420
10.75%	$2,440	$2,430	$2,430	$2,420	$2,420
11.00%	$2,430	$2,430	**$2,420**	$2,420	$2,410
11.25%	$2,430	$2,430	$2,420	$2,420	$2,410
11.50%	$2,430	$2,420	$2,420	$2,410	$2,410

5.30 Considering the above, we are of the opinion that the Market Value of the Property on Vacant Possession Basis is in the range of **US$23,350,000 to US$25,590,000** as at the Valuation Date.

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Appendix 1 Instruction documentation

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Via email: cyrus.fong@hk.knightfrank.com

9 April 2025

Dear Cyrus,

Engagement Agreement - Valuation Report – Donaco International Limited

This letter is to confirm our instructions to you on the services we are requesting you to provide.

We have been engaged by Donaco International Limited (‘**Donaco**’ or ‘**the Company**’) to prepare an Independent Expert’s Report (‘**Our Report**’) for inclusion within a Scheme Booklet to be provided to the non-associated shareholders (‘**the Non-Associated Shareholders**’) of the Company. The Scheme Booklet is to provide the Non-Associated Shareholders with the information they require to make an informed decision on a proposed transaction. This transaction is the proposed acquisition by On Nut Road Limited (‘**ONR**’) of all Donaco shares that it does not already own by way of a scheme of arrangement (‘**the Proposed Transaction**’).

Our Report is required to provide an opinion on whether the offer associated with the Proposed Transaction is fair and reasonable to, and in the best interests of, the Non-Associated Shareholders. Given the nature of the assets of Donaco, we require a Specialist to assist us with the market valuation of some of Donaco’s key assets, to be used in our opinion (‘**Your Report**’).

We advise that we will rely on and refer to your statements and conclusions in Our Report, and we will append a copy of Your Report or a summary of Your Report to Our Report. As Our Report will be a public document, you will be required to provide your consent to the use of Your Report in the form and context in which it will be published.

We will also provide you with a draft copy of Our Report and ask that you confirm that we have accurately referred to Your Report and reflected any statements you have made.

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ENGAGEMENT SCOPE

We request that you provide us with an *independent* opinion on the market valuation of the properties and assets listed below:

- The Lao Cai International Hotel (**'the Lao Cai Hotel'**), located in Lao Cai, Vietnam of which we understand the following:
    - Address: Dang Chau Road, Duyen Hai ward, Lao Cai City, Lao Cai Province, Vietnam; and
    - The building is still standing but empty as all equipment has already been taken out and no maintenance is done on the property.
- The Aristo International Hotel (**'the Aristo'**) located in Lao Cai, Vietnam constructed by Donaco and which opened in 2014. For clarity we understand the following in relation to the Aristo:
    - Address: No. 028 Yet Kieu Road, Kim Tan ward, Lao Cai City, Lao Cai Province, Vietnam;
    - The Aristo is operated under a joint venture agreement with an entity owned by the government of Vietnam;
    - The Aristo includes a 393-room hotel, two restaurants, a tennis court, a pickleball court and other amenities;
    - The Aristo operates gambling activities under a gaming license granted by the Vietnam government which allows Donaco to operate, on the premises, a maximum of 8 gaming tables 150 slot machines and 150 video game machines; and
    - The gambling licence has a 30-year expiry date and was issued on 19 July 2002 such that the license is set to expire in 2032.
- The Star Vegas Resort & Club (**'the Star Vegas'**) located in Poipet, Cambodia. The Star Vegas was acquired by Donaco in 2015 from a group of Thai investors vendors (**'the Thai Vendors'**). For clarity, we understand the following in relation to the Star Vegas:
    - Address: Phum Kbal Spean, Sangkat Poipet O'Chrov District, Banteay Meanchey Province, Kingdom of Cambodia;
    - The Star Vegas operates on 115,098 square meters of land leased from the Thai Vendors who are also shareholders of Donaco, and the land is subject to a leasehold agreement between Donaco and the Thai Vendors;
        - The leasehold agreement on the Star Vegas was subsequently renegotiated in March of 2020 as part of a settlement agreement with the Thai Vendors to settle an on-going legal dispute; and
        - An amended perpetual lease agreement was executed under which we understand Donaco was granted security of tenure over the Star Vegas until 15 June 2115.
    - The Star Vegas includes 57,000 square meters of functional building space, featuring four hotel buildings with a total of 385 rooms (199 of which are currently in operation). Its casino operates under a license, offering 39 gaming tables and 484 electronic gaming

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machines. These machines include a mix of units owned outright by Donaco, as well as leased units subject to profit-sharing agreements; and

- The Star Vegas also includes multiple restaurants, shops, health spas, nightclubs, swimming pools and a fleet of buses and vans. Of which, the shops, swimming pool, fleet shuttle, and nightclub are operated by tenants (with the heath bar currently closed by tenant). The Star Vegas only operates the restaurants.

For avoidance of doubt, in relation to the Aristo and the Star Vegas, their individual valuations should include at least two valuation bases: an assessment of the properties' values on a going concern basis and an assessment of the valuation of the properties on a vacant possession basis.

As part of the vacant possession valuation specifically, an apportionment of the value between land and buildings is to be included in the valuation as well as an assessment of the value of any gaming machines, gaming tables, licenses and other material property, plant and equipment categories held by Donaco.

We may also ask you to assist with the assessment of the reasonableness of the assumptions for more than one scenario if it is considered appropriate. We will discuss this with you should it arise.

TERMS OF YOUR ENGAGEMENT

Your Report must be prepared in accordance with the Australian Securities & Investments Commission Regulatory Guides 111 *Content of expert reports* and, 112 *Independence of experts* (RGs 111 and 112). We have engaged you because we understand that you have the required competency to report on the assets subject of this engagement and you understand your requirements under RGs 111 and 112. Please advise us immediately if, during the engagement, you find you are unable to meet any of these requirements.

Your Report should include the following:

- A statement that demonstrates your claims against your professional competency in valuing the Donaco assets subject of this engagement including:
  - The name, address and location of each Knight Frank office responsible for each section of Your Report (as applicable);
  - Confirmation of which contributor(s) worked on each section of Your Report (as applicable); and
  - The CV of each contributor(s) who worked on Your Report, including confirmation of their relevant commercial experience and/or credentials and expertise in preparing the relevant section(s) of Your Report.
- A statement that demonstrates your independence and the independence of any other contributors to Your Report who have been engaged for their technical expertise;
- Valuations in the form of a range (RG111.78 – 79); and
- The fee for Your Report. This fee must not be reliant on the outcome of the Proposed Transaction (RG 112.45).

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In preparing Your Report you must be satisfied that there is sufficient current information available to allow an informed evaluation and we ask you to advise us immediately if you are unable to obtain that information or form an independent and thorough opinion.

As a Public Report, there is an obligation to ensure that Shareholders can rely on the information until a decision on the Proposed Transaction has been made. Your Report must include at least two valuation approaches, explain why they are appropriate, and comment on how they have been prepared. If only one approach can be used, you must explain why (RG111.64 -68). If during this period, there is a significant change in circumstances we may contact you and request that the information within Your Report be assessed to ensure the change in circumstances has not rendered any of the material information misleading. Further, as set out under RG 111.105 – 107 *Disclaimers*, you cannot limit your statutory liability for the report through disclaimers.

Independence

Your services are required to be carried out in compliance with RG 112, and as this engagement requires you to be independent of Donaco and its shareholders, ONR and their subsidiaries and associates, you must advise us immediately if, within at least the last two years you have had a professional relationship or provided services to these parties or any other interested party.

Your Report must include a statement on your independence including whether there are any:

1. Financial or other interest that could reasonably be regarded as affecting your ability to give an unbiased opinion on your services to us;
2. Fees or benefits (direct or indirect) you will receive in connection with your report, and
3. Discussions or agreements with Donaco and/or their associates on future work.

By accepting this engagement, you also agree not to take instructions from Donaco or other interested parties on your analysis or use of methodologies as this may compromise your independence and therefore the Proposed Transaction (RG 112.47).

As your engagement requires you to remain independent of Donaco, its subsidiaries and associates, it is important that you advise us immediately if within at least the last two years you have had a professional engagement with these parties or any of the other interested parties.

If at any time you believe your independence has been compromised, including when obtaining the information required to prepare Your Report, please advise us immediately. If a compromise has occurred, we will discuss this with you and we reserve the right to terminate this engagement. You also agree to indemnify BDO for any loss arising out of your loss of independence.

Required Information

As a Public Report under RG 111, Your Report must contain all the information that investors and their professional advisors would reasonably require and expect to find to make an informed decision on the subject of the report. In this regard, ASIC has publicly raised its concerns with the adequacy of disclosure by Specialists on assumptions, compliance with relevant industry codes, and the demonstration of a reasonable basis for assumptions and conclusions drawn. It is important that as a Specialist, you obtain

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sufficient information and provide a level of disclosure that supports your assumptions and conclusions, and we may ask you to provide further information on the basis of the statements.

You are to liaise with Donaco to obtain the necessary information and this engagement and all information that you receive from Donaco or us should be treated as being strictly confidential unless it is already in the public domain. We request that you ensure we are copied in on all correspondence and invited to attend all meeting and calls.

In gathering the required information, we ask that you not discuss your preliminary views, future business, or cross-selling opportunities with Donaco or other interested parties (RG 112.47). To do so may compromise your independence.

Deliverables

We require from you the following:

1. Draft report by 15 April 2025 including:
    a. Draft Report, excluding valuation conclusions for factual accuracy confirmation by Donaco;
    b. Full Draft Report for consideration by BDO;
2. Your Final signed report; and
3. Any Supplementary report required to be issued under ASIC RG 111.102-103.

Each of your draft reports is to be provided to us for review and distribution to the relevant Client parties for factual accuracy. We will provide you with any BDO or Donaco comments for your consideration and ask that you only alter Your Report if you are persuaded that there has been an error of fact (RG 112.56).

We will rely on Your Report, and any information you provide as being complete and accurate and you agree not to make any claim against us for any loss, damages, costs or expenses you may suffer or incur as a result of the information you obtained or relied upon to prepare Your Report. We will not conduct verification procedures or audit Your Report however, we will bring to your attention any information or statements that we have assessed as unreliable.

Termination

Your engagement starts on the date the below Acceptance is signed and returned to us with this engagement agreement.

Our engagement will end on the provision of all Deliverables or the day following the Second Court Hearing.

We may also terminate this engagement agreement if you breach any of the requirements within, or we form the view that you are no longer independent or competent.

If our engagement is terminated, you:

1. Agree to provide any transition assistance that may be reasonably requested;
2. Will continue to maintain your obligations of confidentiality and indemnity as set out within this engagement agreement, and

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3. Will return all information obtained from Donaco or us to the relevant party.

Fees

The total fee for completing your work will be HKD $1,000,000. We understand that an initial invoice for 50% of the fee is expected to be issued upon confirmation of engagement. A further 30% will be payable upon issuance of a complete draft report. The remaining 20% will be payable upon delivery of the final report or within two calendar months from the date of engagement, whichever is earlier.

Donaco is solely responsible for your fees and all invoices should be addressed to the Donaco CFO, Gordon Lo. All matters relating to the fees for your work are strictly between you and Donaco. You are required to contact Donaco directly to finalise all terms of your engagement, including access to the required information and, importantly, payment of invoices issued.

BDO Corporate Finance Ltd is responsible solely for selecting the Specialist and negotiating the scope of services, as outlined in this engagement letter.

BDO Corporate Finance Ltd is not responsible for payment of any invoices issued by you in relation to the above scope of work.

YOUR ACCEPTANCE

By your acceptance, you agree to indemnify us against any loss we may suffer as a result of reliance on your report or as a result of a breach of this agreement. This indemnity will not apply to any loss that results from any willful misconduct or fraudulent act or omission by us.

Please agree to the terms of our instructions by signing the below acceptance and returning a copy of this engagement agreement and acceptance to us at your earliest convenience.

Yours sincerely

BDO Corporate Finance Ltd



Mark Whittaker
Director

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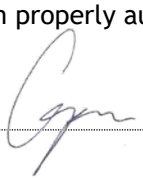
ACCEPTANCE – KNIGHT FRANK

I have read the above engagement agreement from BDO Corporate Finance Ltd and accept the scope and terms of this engagement.

I acknowledge that BDO Corporate Finance Ltd is not responsible for the invoices to be issued by Knight Frank Petty Limited ('Knight Frank') in relation to the scope of work set out in this letter. I acknowledge that all matters relating to the fees for the work performed by Knight Frank are strictly between Knight Frank and Donaco International Limited.

I warrant that I am properly authorised to sign the acknowledgment on behalf of Knight Frank.

Signed 

Full name: Cyrus Fong

Position Executive Director,
Head of Valuation & Advisory, Greater China

Dated: 10 April 2025

ACCEPTANCE – DONACO INTERNATIONAL LIMITED

I confirm that Donaco International Limited has agreed to the fee set out above.

I acknowledge that BDO Corporate Finance Ltd is not responsible for any invoices issued by Knight Frank in relation to the above scope of work.

I warrant that I am properly authorised to sign the acknowledgment on behalf of Donaco International Limited.

Signed 

Full name: Rod Sutton

Position Director

Dated:

General Terms of Business for Valuation Services

Important Notice

If you have any queries relating to this Agreement, please let us know as soon as possible and in any event before signing the Terms of Engagement Letter and/or giving us instructions to proceed.

Your instructions to proceed (howsoever received, whether orally or in writing) will constitute your offer to purchase our services on the terms of the Agreement.

Accordingly, our commencement of work pursuant to your instructions shall constitute acceptance of your offer and as such establish the contract between us on the terms of the Agreement.

These General Terms of Business for Valuation Services (the "**General Terms**"), the General Scope of Valuation Work (the "General Scope of Work") and our Terms of Engagement Letter (the "**Engagement Letter**") together form the agreement between you and us (the "**Agreement**"). References to "**you**", "**your**" etc. are to persons or entities who are our client and, without prejudice to clauses 3 and 4 below, to any persons purporting to rely on our Valuation.

Unless the context otherwise requires, all other terms and expressions used but not defined herein shall have the meaning ascribed to them in the Engagement Letter.

When used within these General Terms, the General Scope of Work and/or in the Engagement Letter, the term "**Valuation**" shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to our engagement and any other replies or information we produce in respect of any such report and/or any relevant property. Any words following the terms "**including**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

All of the terms set out in these General Terms shall survive termination of the Agreement.

In the event of any inconsistency between these General Terms, the Scope of Work and the Engagement Letter, the order of precedence should be as follows: (1) the Engagement Letter , (2) the Scope of Work and (3) these General Terms.

1. Knight Frank

1.1 Knight Frank Petty Limited ("**Knight Frank**", "**our**", "**us**", "**we**") is a company with limited liability incorporated in the Hong Kong Special Administrative Region (the "**HKSAR**").

1.2 Our registered office is at 4/F Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.

1.3 Any representative of Knight Frank described as *partner* is either a member or an employee of Knight Frank and is not a partner in a partnership. The term *partner* has been retained because it is an accepted way of referring to senior professionals. The term "**Knight Frank Person**" shall, when used herein, mean any member, employee, "partner" or consultant of Knight Frank.

1.4 The details of our professional indemnity insurance will be provided to you on request.

1.5 Knight Frank is registered for regulation in HKSAR by the Royal Institution of Chartered Surveyors ("**RICS**"). Any Valuation provided by us may be subject to monitoring under RICS Valuer Registration. In accordance with our obligations it may be necessary to disclose valuation files to the RICS. By instructing us, you give us your permission to do so. Where possible, we will give you prior notice before making any such disclosure, although, this may not always be possible. We will use reasonable endeavours to limit the scope of any such disclosure and to ensure any disclosed documents are kept confidential.

1.6 Valuations will be carried out in accordance with the relevant edition of the Hong Kong Institute of Surveyors ("HKIS") Valuation Standards, and/or the RICS valuation standards, the RICS Red Book (the "**Red Book**"), by valuers who conform to its requirements and with regard to relevant statutes or regulations.

1.7 As required by the RICS, a copy of our complaints procedure is available on request. Please contact the relevant Head of Department if you would like to make a complaint.

1.8 Knight Frank is regulated by the RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct and all other applicable mandatory professional practice requirements of the RICS, which can be found at www.rics.org. As a RICS regulated firm, we have committed to cooperating with the RICS in ensuring compliance with its standards.

2. Governing law and jurisdiction

2.1 The Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation or any Valuation shall be governed by and construed in accordance with the laws of the HKSAR.

2.2 The courts of the HKSAR shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation or any Valuation. This will apply wherever the relevant property or the client, or any relevant third party, is located or the service is provided.

3. Limitations on liability

3.1 Subject to clause 3.8, our maximum total liability in connection with or arising out of this Agreement and/or its subject matter and/or the Valuation is limited to five times our fee as set out in the Engagement Letter.

3.2 Subject to clause 3.8, we will not be liable for any loss of profits, loss of data, loss of chance, loss of goodwill, or any indirect or consequential loss of any kind.

3.3 Our liability to you shall be reduced to the extent that we prove that we would have been able to claim a contribution pursuant to the Civil Liability (Contribution) Ordinance Cap 377 of the laws of the HKSAR from one or more of the other professionals instructed by you in relation to any relevant property and/or the Purpose (and in each case if, as a result of an exclusion or limitation of liability in your agreement with such professional, the amount of such contribution would be reduced, our liability to you shall be further reduced by the amount by which the contribution we would be entitled to claim from such professional is reduced).

3.4 Subject to clause 3.8, any limitation on our liability will apply however such liability is or would otherwise have been incurred, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise.

3.5 Except as set out in clauses 3.6 and 4.7 and 4.8 below, no third party shall have any right to enforce any of the terms of this Agreement,

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whether under the Contracts (Rights of Third Parties) Ordinance (Cap 623) or otherwise.

3.6 No claim arising out of or in connection with this Agreement may be brought against any Knight Frank Person. Those individuals will not have a personal duty of care to you or any other person and any such claim for losses must be brought against Knight Frank. Any Knight Frank Person may enforce this clause under the Contracts (Rights of Third Parties) Ordinance (Cap 623) but the terms of this Agreement may be varied by agreement between the client and Knight Frank at any time without the need for any Knight Frank Person to consent.

3.7 No claim, action or proceedings arising out of or in connection with the Agreement and/or any Valuation shall be commenced against us after the expiry of the earlier of (a) six years from the Valuation Date (as set-out in the relevant Valuation) or (b) any limitation period prescribed by law.

3.8 Whether or not specifically qualified by reference to this clause, nothing in the Agreement shall exclude or limit our liability in respect of fraud, or for death or personal injury caused by our negligence or negligence of those for whom we are responsible, or for any other liability to the extent that such liability may not be so excluded or limited as a matter of applicable law.

4. Purpose, reliance and disclosure

4.1 The Valuation is prepared and provided solely for the stated purpose. Unless expressly agreed by us in writing, it cannot be relied upon, and must not be used, for any other purpose and, subject to clause 3.8, we will not be liable for any such use.

4.2 Without prejudice to clause 4.1 above, the Valuation may only be relied on by our Client. Unless expressly agreed by us in writing the Valuation may not be relied on by any third party and we will not be liable for any such purported reliance.

4.3 Subject to clause 4.4 below, the Valuation is confidential to our Client and must not be disclosed, in whole or in part, to any third party without our express written consent (to be granted or withheld in our absolute discretion). Subject to clause 3.8, no liability is accepted to any third party for the whole or any part of any Valuation disclosed in breach of this clause.

4.4 Notwithstanding any statement to the contrary in the Agreement, you may disclose documents to the minimum extent required by any court of competent jurisdiction or any other competent judicial or governmental body or the laws of the HKSAR.

4.5 Neither the whole nor any part of the Valuation and/or any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any website) without our prior written consent and approval of the form and context in which it may appear.

4.6 Where permission is given for the publication of a Valuation neither the whole nor any part thereof, nor any reference thereto, may be used in any publication or transaction that may have the effect of exposing us to liability for actual or alleged violations of the Securities Act 1933 as amended, the Securities Exchange Act of 1934 as amended, any state Blue Sky or securities law or similar federal, state provincial, municipal or local law, regulation or order in either the United States of America or Canada or any of their respective territories or protectorates (the "**Relevant Securities Laws**"), unless in each case we give specific written consent, expressly referring to the Relevant Securities Laws.

4.7 You agree that we, and/or any Knight Frank Person, may be irreparably harmed by any breach of the terms of this clause 4 and that damages may not be an adequate remedy. Accordingly, you agree that we and/or any Knight Frank Person may be entitled to the remedies of injunction or specific performance, or any other equitable relief, for any anticipated or actual breach of this clause.

4.8 You agree to indemnify and keep fully indemnified us, and each relevant Knight Frank Person, from and against all liabilities, claims, costs (including legal and professional costs), expenses, damages and losses arising from or in connection with any breach of this clause 4 and/or from the actions or omissions of any person to whom you have disclosed (or otherwise caused to be made available) our Valuation otherwise than in accordance with this clause 4.

4.9 You warrant and represent that all information provided to us shall be accurate, complete and up-to-date and can be relied upon by us for the purposes of the Agreement and you shall be liable to us or any other third party for any such information provided by you that is not accurate, complete or up-to-date.

5. Knight Frank network

5.1 Knight Frank Petty Limited / Knight Frank Asset Appraisal Limited is a member of an international network of independent firms which may use the "Knight Frank" name and/or logos as part of their business name and operate in jurisdictions outside the HKSAR (each such firm, an "**Associated Knight Frank Entity**").

5.2 Unless specifically agreed otherwise, in writing, between you and us: (i) no Associated Knight Frank Entity is our agent or has authority to enter into any legal relations and/or binding contracts on our behalf; and (ii) we will not supervise, monitor or be liable for any Associated Knight Frank Entity or for the work or actions or omissions of any Associated Knight Frank Entity, irrespective of whether we introduced the Associated Knight Frank Entity to you.

5.3 You are responsible for entering into your own agreement with any relevant Associated Knight Frank Entity.

5.4 This document has been originally prepared in the English language. If this document has been translated and to the extent there is any ambiguity between the English language version of this document and any translation thereof, the English language version as prepared by us shall take precedence.

6. Severance

If any provision of the Agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable and, to the greatest extent possible, achieves the intended commercial result of the original provision. If express agreement regarding the modification or meaning or any provision affected by this clause is not reached, the provision shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision shall be deemed deleted. Any modification to or deletion of a provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

7. Entire agreement

7.1 The Agreement, together with any Valuation produced pursuant to it (the Agreement and such documents together, the "**Contractual Documents**") constitute the entire agreement between you and us and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between you and us, whether written or oral, relating to its subject matter.

7.2 Subject to clause 3.8 above, you agree that in entering into the Agreement you do not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not expressly set out in the Contractual Documents. You further agree that you shall have no claim for innocent or negligent misrepresentation based on any statement set out in the Contractual Documents.

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7.3 The Engagement Letter, the Scope of Work and these General Terms shall apply to and be incorporated in the contract between us and will prevail over any inconsistent terms or conditions contained or referred to in your communications or publications or which would otherwise be implied. Your standard terms and conditions (if any) shall not govern or be incorporated into the contract between us.

7.4 Subject to clause 3.8 and clause 6, no addition to, variation of, exclusion or attempted exclusion of any of the terms of the Contractual Documents will be valid or binding unless recorded in writing and signed by duly authorised representatives on behalf of the parties.

8. Assignment

You shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of the rights and obligations under the Agreement without our prior written consent (such consent to be granted or withheld in our absolute discretion).

9. Force majeure

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from events, circumstances or causes beyond its reasonable control.

10. Our fees

10.1 Without prejudice to clause 10.3 below, you become liable to pay our fees upon issuance of the Valuation. For the avoidance of doubt, unless expressly agreed otherwise in writing, the payment of our fees is not conditional on any other events or conditions precedent.

10.2 If any invoice remains unpaid after 30 days of the date on which it is presented, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made, at 2% per month.

10.3 If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

10.4 If before the Valuation is concluded you end this instruction, we will charge abortive fees (calculated on the basis of a proportion of the total fee by reference to reasonable time and expenses incurred), with a minimum charge of 50% of the full fee if we have already inspected the property (or any property, if the instruction relates to more than one), or with a minimum charge of 80% of the full fee if we have already submitted draft report.

10.5 If you delay the instruction by more than 30 days or materially alter the instruction so that additional work is required at any stage or if we are instructed to carry out additional work that we consider (in our reasonable opinion) to be either beyond the scope of providing the Valuation or to have been requested after we have finalised our Valuation (including, but not limited to, changing the Valuation Date, or issuing additional reports addressed to third parties, etc.), we will charge additional fees for this work. We will endeavour to agree any additional fees with you prior to commencing the work, however, where this is not possible our hourly rates will apply. Such additional fees will be calculated on the basis of a proportion of the total fee by reference to reasonable time and expenses incurred.

10.6 Where we agree to accept payment of our fees from a third party, such fees remain due from you until payment is received by us.

10.7 Any fee paid in advance for our services will not be held by us as client's money pending the completion of our service to you and it will not be subject to the RICS Clients' Money Protection Scheme.

11. Anti-bribery, corruption & Modern Slavery

11.1 We agree that throughout the term of our appointment we shall:

(a) Comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Prevention of Bribery Ordinance (Cap 201), (the "Relevant Requirements");

(b) not engage in any activity, practice or conduct which would constitute an offence under sections 1,2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;

(c) maintain anti-bribery and anti-corruption policies to comply with the Relevant Requirements and any best practice relating thereto; and

(d) promptly report to you any request or demand for any undue financial or other advantage of any kind in connection with the performance of our services to you.

11.2 We take all reasonable steps to ensure that we conduct our business in a manner that is consistent with our Human Rights Policy and comply with applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including the Modern Slavery Act 2015 of the UK.

12. Data Protection

12.1 For the purposes of this clause "Data Protection Legislation" means the Personal Data (Privacy) Ordinance (Cap 486) The terms "Personal Data", "Data Processor" and "Data Subject" shall have the meanings ascribed to them in the Data Protection Legislation.

12.2 You and we shall comply with applicable requirements of the Data Protection Legislation.

12.3 Without prejudice to the generality of the foregoing, you will not provide us with Personal Data unless the Agreement requires the use of it, and/or we specifically request it from you. By transferring any Personal Data to us you warrant and represent that you have the necessary authority to share it with us and that the relevant Data Subjects have been given the necessary information regarding its sharing and use.

12.4 We may transfer Personal Data you share with us to other Associated Knight Frank Entities and/or group undertakings. Some of these recipients may be located outside of the HKSAR. We will only transfer such Personal Data where we have a lawful basis for doing so and have complied with the specific requirements of the Data Protection Legislation.

12.5 Full details of how we use Personal Data can be found in our Privacy Statement at http://www.knightfrank.com/legals/privacy-statement.

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General Scope of Valuation Work

As required by the RICS Valuation – Global Standards (the "Red Book") / International Valuation Standards, this General Scope of Valuation Work describes information we will rely on, the investigations that we will undertake, the limits that will apply to those investigations and the assumptions we will make, unless we are provided with or find information to the contrary.

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Definitions

"**Assumption**" is something which it is agreed the valuer can reasonably accept as being true without specific investigation or verification.

"**Property**" is the interest which we are instructed to value in land including any buildings or other improvements constructed upon it.

"**Valuation**" shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to this engagement and any other replies or information we produce in respect of any such report and/or any relevant property.

1. Property to be valued

1.1 We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the address provided in your instructions, is the Property inspected by us and included within our Valuation. If there is ambiguity as to the Property address, or the extent of the Property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our Valuation.

1.2 We will rely upon information provided by you, your representative(s) or your legal advisers relating to the Property to be valued, including any tenancies, sub-tenancies or other third-party interests. Any information on title and tenure we are provided with by a third party during the course of our investigations will be summarised in our Valuation but will be subject to verification by your legal advisers. We will not search the original documents to verify ownership or to verify any lease amendments that may not appear on the copies handed to us. We will not make or commission any investigations to verify any of this information. In particular, we will not investigate or verify that :

(a) all title information relied upon and referred to in our Valuation is complete and correct,

(b) all documentation is satisfactorily drawn,

(c) there are no undisclosed onerous conditions or restrictions that could impact on the marketability of the Property valued, and

(d) there is no material litigation pending, relating to the Property valued.

For Hong Kong Properties

Prior to preparing our report, unless you or your representative(s) provide land search information to us, a search will normally be made in the Land Registry to retrieve details of the Government Lease and any encumbrances registered against it. Information so obtained will be interpreted and analysed with as much care as possible, but you should always arrange for your own legal advisers to check this information prior to entering into any commitment as a result of our report.

For Macau Properties

Whilst we may cause search in the Conservatória do Registo Predial (the Property Registry of Macau) to retrieve relevant information / encumbrances in Chinese registered against the Property, we largely rely on the copies provided by you or your representative(s), in English or Chinese. We do not undertake to require sight of the original documents etc nor to verify the correctness of any information supplied to us, including their translations.

For PRC or Overseas Properties

We normally base our work on information supplied to us only, accept such information at its face value, and do not undertake to require sight of the original documents etc. Nor do we verify the correctness of any information supplied to us, whether in writing or verbally, by you or by your representative(s) or by any (or any apparent) occupier of the property or contained in the copy of the documents.

1.3 Where we provide a plan of the Property in our Valuation, this is for identification only. While the plan reflects our understanding based on the information provided to us, it must not be relied upon to define boundaries, title or easements.

1.4 Our Valuation will include those items of plant and machinery normally considered to be part of the service installations to a building and which would normally pass with the Property on a sale or letting. We will exclude all other items of process plant, machinery, trade fixtures and equipment, chattels, vehicles, stock and loose tools, and any tenant's fixtures and fittings.

1.5 Unless agreed otherwise in writing, we will neither investigate nor include in our Valuation any unproven or unquantified mineral deposits, felled timber, airspace or any other matter which may or may not be found to be part of the Property but which would not be known to a buyer or seller on the valuation date.

1.6 Unless agreed otherwise, our Valuation will make the Assumption that all parts of the Property occupied by the current owner on the valuation date would be transferred with vacant possession and any tenancies, sub-tenancies or other third party interests existing on the valuation date will continue.

1.7 Where requested legal title and tenancy information is not provided in full, in the absence of any information provided to the contrary, our Valuation will make the Assumption that the subject Property has good title and is free from any onerous restrictions and/or encumbrances or any such matter which would diminish its value.

2. Portfolios

2.1 Where instructed to value a portfolio of properties, unless specifically agreed with you otherwise, we will value each Property separately on the basis that it is offered individually to the market.

3. Building specification and condition

3.1 We will note the general condition of any building and any building defect brought to our attention and reflect this in our Valuation. We will not undertake a detailed investigation of the materials or methods of construction or of the condition of any specific building element. We will not test or commission a test of service installations. Unless we become aware during our normal investigations of anything to the contrary and mention this in our Valuation, our Valuation will , make the Assumption that:

(a) any building is in a condition commensurate with its age, use and design and is free from significant defect,

(b) no construction materials have been used that are deleterious, or likely to give rise to structural defects,

(c) no potentially hazardous or harmful materials are present, including asbestos,

(d) all relevant statutory requirements relating to use, construction and fire safety have been complied with,

(e) any building services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction, and

(f) the supply to the building of electricity, data cable network and water, are sufficient for the stated use and occupancy.

3.2 If you require information on the structure or condition of any building, our specialist building surveyors can provide a suitable report as a separate service.

4. Environment and sustainability

4.1 Our Valuation will reflect the market's perception of the environmental performance of the Property and any identified environmental risks as at the valuation date. This may include reflecting information you provide to us that has been prepared by suitably qualified consultants on compliance of existing or proposed buildings with recognised sustainability metrics. Where appropriate, we will research any freely available information issued by public bodies on the sustainability metrics of existing buildings.

4.2 As part of our valuation service, we will not advise on the extent to which the Property complies with any other Environmental, Social or Governance (ESG) metrics or to what extent the building, structure, technical services, ground conditions, will be impacted by future climate change events, such as extreme weather, or legislation aimed at mitigating the impact of such events. If required, KF may be able to advise on ESG considerations and their long-term impact on a Property as a separate service.

5. Ground conditions and contamination

5.1 We may rely on any information you provide to us about the findings and conclusions of any specialist investigations into ground conditions or any contamination that may affect the Property. Otherwise our investigations will be limited to research of freely available information issued by Government Agencies and other public bodies for flood risk, recorded mining activity and radon. We will also record any common sources or indicators of potential contamination observed during our inspection.

5.2 Unless specifically instructed by you to do so, we will not commission specialist investigations into past or present uses either of the Property or any neighbouring property to establish whether there is contamination or potential for contamination, or any other potential environmental risk. Neither will we be able to advise on any remedial or preventive measures.

5.3 We will comment on our findings and any other information in our possession or discovered during our investigations in our Valuation.

5.4 Unless we become aware of anything to the contrary and mention this in our Valuation, for each Property valued our Valuation will make the Assumption that:

(a) the site is physically capable of development or redevelopment, when appropriate, and that no extraordinary costs will be incurred in providing foundations and infrastructure,

(b) there are no archaeological remains on or under the land which could adversely impact on value,

(c) the Property is not adversely affected by any form of pollution or contamination,

(d) there is no abnormal risk of flooding,

(e) there are no high voltage overhead cables or large electrical supply equipment affecting the Property,

(f) the Property does not have levels of radon gas that will require mitigation work,

(g) there are no invasive species present at the Property or within close proximity to the Property, and

(h) there are no protected species which could adversely affect the use of the Property.

6. Planning and highway enquiries

6.1 We may research freely available information on planning history and relevant current policies or proposals relating to any Property being valued using the appropriate local authority website. We will not commission a formal local search. Our Valuation will make the Assumption that any information obtained will be correct, but our findings should not be relied on for any contractual purpose.

6.2 Unless we obtain information to the contrary, Our Valuation will make the Assumption that:

(a) the use to which the Property is put is lawful and that there is no pending enforcement action, and

(b) there are no local authority proposals that might involve the use of compulsory purchase powers or otherwise directly affect the Property.

6.3 We do not undertake searches to establish whether any road or pathways providing access to the Property are publicly adopted. Unless we receive information to the contrary or have other reason to suspect an adjoining road or other access route is not adopted, our Valuation will make the Assumption that all such routes are publicly adopted.

7. Other statutory and regulatory requirements

7.1 A property owner or occupier may be subject to statutory regulations depending on their use. Depending on how a particular owner or occupier uses a building, the applicable regulations may require alterations to be made to buildings. Our valuation service does not include identifying or otherwise advising on works that may be required by a specific user in order to comply with any regulations applicable to the current or a proposed use of the Property. Unless it is clear that similar alterations would be required by most prospective buyers in the market for a property, our Valuation will make the Assumption that no work would be required by a prospective owner or occupier to comply with regulatory requirements relating to their intended use.

7.2 We will not investigate or comment on licences or permits that may be required by the current or any potential users of the Property relating to their use or occupation.

8. Measurements

8.1 Where building floor areas are required for our Valuation, unless we have agreed to rely on floor areas provided by you or a third party, we will take measurements and calculate the appropriate floor areas for buildings in accordance with the current Hong Kong Institute of Surveyors ("HKIS") Code of Measuring Practice or Royal Institution of Chartered Surveyors ("RICS") Property Measurement Professional Standard. These measurements will be quoted to a reasonable approximation, with reference to their source or taken by us from scaled drawings provided to us. The floor areas will be within a tolerance that is appropriate having regard to the circumstances and purpose of the valuation instruction.

8.2 Where required, any site areas will be quoted from plans or other sources available to us.

9. Investment properties

9.1 Where the Property valued is subject to a tenancy or tenancies, we will have regard to the market's likely perception of the financial status and reliability of tenants in arriving at our valuation. We will not undertake detailed investigations into the financial standing of any tenant. Unless advised by you to the contrary, our Valuation will be based on the Assumption that there are no material rent arrears or breaches of other lease obligations. We will further assume that the tenants will continue to occupy the premises and comply with the

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conditions of the tenancies until the expiry of the existing tenancy terms.

10. Development properties

10.1 If we are instructed to value Property for which development, redevelopment or substantial refurbishment is proposed or in progress, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We shall be entitled to rely on such information in preparing our valuation. If a professional estimate of build costs is not made available, we will rely on published build cost data but this must be recognised as being less reliable as it cannot account for variations in site conditions and design. This is particularly true for refurbishment work or energy efficiency and environmental upgrades. In the absence of a professionally produced cost estimate for the specific project, we may need to qualify our report and the reliance that can be placed on our valuation.

10.2 For Property in the course of development, we will reflect the stage reached in construction and the costs remaining to be spent at the date of valuation. We will have regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project. For recently completed developments we will take no account of any retentions, nor will we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

10.3 We will assume that the property valued will be constructed, occupied and used in full compliance with, and without contravention of any Ordinances, statutory requirements and notices, except only where otherwise stated. We will further assume that, for any use of the property upon which the report is based, any and all required licences, permits, certificates, consents, approvals and authorisations have been or will be obtained, except only where stated otherwise.

11. VAT, taxation and costs

11.1 The reported valuation will be our estimate of the price that would be agreed with no adjustment made for costs that would be incurred by the parties in any transaction, including any liability for VAT, stamp duty or other taxes. It is also gross of any mortgage or similar financial encumbrance.

12. Property insurance

12.1 Except to the limited extent provided in clause 3 and clause 4 above, we do not investigate or comment on how potential risks would be viewed by the insurance market. Our Valuation will be on the Assumption that each Property would, in all respects, be insurable against all usual risks including fire, terrorism, ground instability, extreme weather events, flooding and rising water table at normal, commercially acceptable premiums.

13. Reinstatement cost estimates

13.1 We can only accept a request to provide a building reinstatement cost estimate for insurance purposes alongside our Valuation of the Property interest on the following conditions:

(a) the assessment provided is indicative, without liability and only for comparison with the current sum insured, and

(b) the building is not specialised or listed as being of architectural or historic importance.

13.2 Otherwise we can provide an assessment of the rebuilding cost by our specialist building surveyors as a separate service.

14. Legal advice

14.1 We are appointed to provide valuation opinion(s) in accordance with our professional duties as valuation surveyors. The scope of our service is limited accordingly. We are not qualified legal practitioners and we do not provide legal advice. Unless instructed to the contrary, we will not read title or lease documentation and will make the Assumption that summary tenure and tenancy information provided is accurate and includes all material factors that could impact value. If we indicate what we consider the effect of any provision in the Property's title documents, leases or other legal requirements may have on value, we strongly recommend that this be reviewed by a qualified lawyer before you take any action relying on our valuation.

15. Loan security

15.1 If we are requested to comment on the suitability of the Property as a loan security, we are only able to comment on any risk to the reported value that is inherent in either its physical attributes or the interest valued. We will not comment on the degree and adequacy of capital and income cover for an existing or proposed loan or on the borrower's ability to service payments.

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Appendix 2 CVs of the valuers

Cyrus Fong.



Executive Director, Head of Valuation & Advisory, Greater China
T: +852 2846 7135
E: cyrus.fong@hk.knightframe.com

QUALIFICATIONS

Fellow of the Royal Institution of Chartered Surveyors (2021)
Fellow of the Hong Kong Institute of Surveyors (2021)
Licensed Salesperson, Hong Kong (2012) S-368139
Registered Valuer of the Royal Institution of Chartered Surveyors (2016)
Registered Professional Surveyor (General Practice) (2016)
Member of China Institute of Real Estate Appraisers and Agents (2018)
BSc (Hons) in Surveying (2006)

Cyrus is a Chartered Surveyor with a wealth of experience in valuation and advisory services in Hong Kong, Macau and Chinese mainland.

Cyrus joined Knight Frank in 2016 as an Associate Director in our General Valuation department providing property valuation and consultancy services to clients.

In addition to valuation services, Cyrus also advises clients on land and planning matters, retail consultancy, market research and feasibility studies, and development consultancy. He has conducted numerous assignments for different types of properties including development sites, luxury residential, commercial, industrial properties in Hong Kong, Macau, Chinese mainland, Asia Pacific, and the UK for corporate and private clients.

Recent *Successes*.



Young Surveyor of the Year – Certificate of Excellence
RICS HK Awards – 2018



Valuation
The Center, Hong Kong



Valuation
Leadenhall Building, London



Valuation
Sands Group, Macau

MAJOR CLIENTS

HSBC, Hang Seng Bank, Bank of China, JP Morgan, Citibank, Henderson, C C Land, Asia Standard, URA, ARA, Fortune REIT, Cheung Kong Holdings, Chinese Estates Holdings, New World, Evergrande, Kaisa Group, Cheung Kei Group, Shimao, Goldin, Far East, Arch Capital, Stan Group, Phoenix Property Investors, CSI, Link REIT, MTR Corporation, HKU, Sands, Macquarie Goodman, Blackstone, Lan Kwai Fong Group, Sa Sa International Holdings.

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Truc Huynh



Senior Manager
T: +84 938587487
E: Truc.Huynh@knightfrank.com

QUALIFICATIONS

MOF Valuer
Ceritificate of VN Real Esate Managment
Bachelor of Valuation
Valuation Senior Manger,Commerial Valuation
Knight Frank Vietnam

Truc has a highly accomplished real estate professional. She brings over a decade of expertise in property valuation and advisory services. Joining Knight Frank Vietnam in 2023, she currently serves as Senior Manager in the Consultant Department, where she leverages her extensive knowledge of the local real estate market to provide strategic insights for commercial projects.

With more than 10 years of experience at foreign agencies, Truc has established herself as a trusted advisor, particularly in valuing commercial and industrial properties. Her track record includes delivering accurate and reliable valuations for a variety of purposes, such as mortgage, acquisition, immigration, and year-end accounting.

Truc oversees a team of dedicated professionals. ensuring the highest standards of service delivery. Known for her excellent communication skills and collaborative approach, she excels in building lasting relationships with clients and colleagues. Her commitment to professionalism and

Major Clients

BWID

BWID is a leading for-rent logistics and industrial property developer in Vietnam

Aeon Mall

Aeon Mall is a specialist shopping mall developer

Citigroup

CitiGroup is one the main main bank of choice for top-tier local corporates, financial institutions as well as largest multinational companies in Vietnam.

OTHER MAJOR CLIENTS

BWID, Richland Residence, Central Retail, SCID, Novaland, Pomina, Gamuda, VSIP, Viet Y Steel, Heineken Vietnam, Son Tien, Hoiana, Loc Troi Group Novaland, Bong Sen, D Liberty

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Appendix 3 Title documents

Business Registration Certificate No. 5300208103

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SỞ KẾ HOẠCH VÀ ĐẦU TƯ
TỈNH LÀO CAI
PHÒNG ĐĂNG KÝ KINH DOANH

CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập – Tự do – Hạnh phúc

GIẤY CHỨNG NHẬN ĐĂNG KÝ DOANH NGHIỆP
CÔNG TY TRÁCH NHIỆM HỮU HẠN HAI THÀNH VIÊN TRỞ LÊN

Mã số doanh nghiệp: 5300208103

Đăng ký lần đầu: ngày 27 tháng 02 năm 2009

Đăng ký thay đổi lần thứ: 6, ngày 12 tháng 08 năm 2024

1. Tên công ty

Tên công ty viết bằng tiếng Việt: CÔNG TY TNHH LIÊN DOANH KHÁCH SẠN QUỐC TẾ LÀO CAI

Tên công ty viết bằng tiếng nước ngoài: LAOCAI INTERNATIONAL HOTEL JOINT VENTURE COMPANY LIMITED

Tên công ty viết tắt: LAOCAI INTERNATIONAL HOTEL

2. Địa chỉ trụ sở chính

Số nhà 028 đường Yết Kiêu, Phường Kim Tân, Thành phố Lào Cai, Tỉnh Lào Cai, Việt Nam

Điện thoại: *0214 3826668* Fax: *02143 826768*

Email: *info@aristohotel.com.vn* Website: *www.aristohotel.com.vn*

3. Vốn điều lệ : 409.315.961.136 đồng.

Bằng chữ: Bốn trăm lẻ chín tỷ ba trăm mười lăm triệu chín trăm sáu mươi mốt nghìn một trăm ba mươi sáu đồng

Tương đương mười chín triệu tám trăm nghìn đô la Mỹ (19.800.000 USD)

4. Danh sách thành viên góp vốn

STT	Tên thành viên	Quốc tịch	Địa chỉ liên lạc đối với cá nhân; địa chỉ trụ sở chính đối với tổ chức	Phần vốn góp (VNĐ và giá trị tương đương theo đơn vị tiền nước ngoài, nếu có)	Tỷ lệ (%)	Số Giấy tờ pháp lý của cá nhân; Mã số doanh nghiệp đối với doanh nghiệp; Số Giấy tờ pháp lý của tổ chức	Ghi chú
1	CÔNG TY DONACO SINGAPORE PRIVATE LIMITED	Singapore	128 Tanjong Pagar Road Singapore 088535, Singapore	388.778.048.909	95,000	19905699H	

2	CÔNG TY TNHH MỘT THÀNH VIÊN XỔ SỐ KIẾN THIẾT TỈNH LÀO CAI	Việt Nam	Số nhà 044, đường Cốc Lếu, Phường Cốc Lếu, Thành phố Lào Cai, Tỉnh Lào Cai, Việt Nam	20.537.912.227	5,000	5300102587	

5. Người đại diện theo pháp luật của công ty

* Họ và tên: LIM CHING HENG Giới tính: *Nam*

Chức danh: Tổng giám đốc

Sinh ngày: *23/06/1967* Dân tộc: *Quốc tịch: Australia*

Loại giấy tờ pháp lý của cá nhân: *Hộ chiếu nước ngoài*

Số giấy tờ pháp lý của cá nhân: *PB1390922*

Ngày cấp: *05/06/2019* Nơi cấp: *Úc*

Địa chỉ thường trú: *1 Laurel court, Thornlie, 6108, Tây Úc, Quốc Gia Úc, Australia*

Địa chỉ liên lạc: *028 Yết Kiêu, Phường Kim Tân, Thành phố Lào Cai, Tỉnh Lào Cai, Việt Nam*

TRƯỞNG PHÒNG

Trần Nam Bình

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Investment Registration Certificate No. 324354566

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UBND TỈNH LÀO CAI
SỞ KẾ HOẠCH VÀ ĐẦU TƯ

CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc

GIẤY CHỨNG NHẬN ĐĂNG KÝ ĐẦU TƯ

Mã số dự án: 3243541566

Chứng nhận lần đầu: ngày 19 tháng 9 năm 2016
Chứng nhận điều chỉnh lần đầu: ngày 09 tháng 3 năm 2017
Chứng nhận điều chỉnh lần thứ hai: ngày 06 tháng 6 năm 2017
Chứng nhận điều chỉnh lần thứ ba: ngày 14 tháng 9 năm 2017

Căn cứ Luật Đầu tư số 67/2014/QH13 ngày 26/11/2014;

Căn cứ Nghị định số 118/2015/NĐ-CP ngày 12/11/2015 của Chính phủ quy định chi tiết và hướng dẫn thi hành một số điều của Luật đầu tư;

Căn cứ Quyết định số 68/2016/QĐ-UBND ngày 19/8/2016 của UBND tỉnh Lào Cai ban hành Quy định vị trí, chức năng, nhiệm vụ, quyền hạn và tổ chức bộ máy của Sở Kế hoạch và Đầu tư tỉnh Lào Cai;

Căn cứ Văn bản số 4270/UBND-KT ngày 07/9/2017 của UBND tỉnh Lào Cai về việc điều chỉnh Giấy chứng nhận đăng ký đầu tư của Công ty TNHH liên doanh khách sạn quốc tế Lào Cai;

Xét hồ sơ đề nghị điều chỉnh Giấy chứng nhận đăng ký đầu tư của Công ty TNHH liên doanh khách sạn quốc tế Lào Cai,

SỞ KẾ HOẠCH VÀ ĐẦU TƯ TỈNH LÀO CAI

Chứng nhận:

CÔNG TY TNHH LIÊN DOANH KHÁCH SẠN QUỐC TẾ LÀO CAI (sau đây gọi tắt là Công ty).

- Mã số doanh nghiệp: 5300208103 do Phòng Đăng ký kinh doanh Sở Kế hoạch và Đầu tư tỉnh Lào Cai cấp đăng ký thay đổi lần 2 ngày 21/02/2017.

- Địa chỉ: Số 028, đường Yết Kiêu, phường Kim Tân, thành phố Lào Cai tỉnh Lào Cai.

- Người đại diện theo pháp luật: Ông Goh Kwey Biaw; sinh ngày 30/3/1954; quốc tịch Malaysia; giấy chứng thực cá nhân số A33407901 cấp tại Kajang, Malaysia ngày 15/8/2014; hộ khẩu thường trú tại số 31 Jalan Anjung

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Residensi 1/3, Taman Anjung Residensi Seksyen 9, Saujana Impian, 4300 Kajang Selangor Malaysia; chỗ ở hiện tại: số 028 đường Yết Kiêu phường Kim Tân thành phố Lào Cai tỉnh Lào Cai.

Đăng ký thực hiện dự án đầu tư với những nội dung như sau:

Điều 1: Nội dung dự án đầu tư

1. Tên dự án đầu tư: Khách sạn 5 sao và tổ hợp vui chơi giải trí.

Tên khách sạn: Khách sạn Quốc tế Aristo

Tên tiếng Anh: Aristo International Hotel.

2. Mục tiêu, quy mô và địa điểm thực hiện dự án:

a) Mục tiêu dự án: Xây dựng và vận hành, kinh doanh khách sạn tiêu chuẩn 5 sao và tổ hợp vui chơi giải trí, gồm các hạng mục:

- Khách sạn tiêu chuẩn 5 sao gồm 12 tầng với 428 phòng khách;

- Nhà hàng, khu café, cửa hàng lưu niệm, khu massage và karaoke, xông hơi, vũ trường, công viên trong nhà, khu vui chơi giải trí cho trẻ em (bao gồm các loại trò chơi và máy trò chơi...) thẩm mỹ viện, cắt tóc gội đầu; cho thuê văn phòng chi nhánh ngân hàng; cho thuê văn phòng và địa điểm kinh doanh, siêu thị.

- Khu Beer Garden phục vụ tổ chức sự kiện, triển lãm, ki ốt bán hàng, các dịch vụ liên quan đến ăn uống, ẩm thực, vui chơi giải trí, tiệc cưới, cho thuê gian hàng ... với tổng diện tích đất 7.173 m^2.

- Kinh doanh cửa hàng miễn thuế.

- Quản lý và vận hành một trung tâm giải trí để kinh doanh dịch vụ vui chơi có thưởng dành riêng cho người nước ngoài (casino).

b) Hoạt động kinh doanh trò chơi có thưởng dành riêng cho người nước ngoài chỉ được thực hiện với quy mô: 150 máy giật xèng, 150 máy video game và 08 bàn chia bài.

c) Địa điểm Dự án: số 028 đường Yết Kiêu phường Kim Tân thành phố Lào Cai tỉnh Lào Cai. Diện tích đất sử dụng: 45.068,8 m^2.

3. Tổng vốn đầu tư của Dự án: 1.647.912.171.455 VND *(Một nghìn sáu trăm bốn mươi bảy tỷ chín trăm mười hai triệu một trăm bảy mươi mốt ngàn bốn trăm năm mươi năm đồng)*, tương đương khoảng 78.472.000 USD *(Bảy mươi tám triệu bốn trăm bảy mươi hai nghìn đô la Mỹ)*.

4. Thời gian thực hiện dự án:

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- Thời gian thực hiện dự án xây dựng, kinh doanh khách sạn là 50 *(Năm mươi)* năm kể từ ngày được cấp Giấy chứng nhận đầu tư lần đầu (ngày 18/3/2011);

- Thời gian thực hiện hoạt động kinh doanh trò chơi có thưởng là 30 *(Ba mươi)* năm kể từ ngày cấp Giấy phép đầu tư lần đầu (ngày 19/7/2002);

- Thời gian thực hiện hoạt động kinh doanh Beer Garden là 40 *(Bốn mươi)* năm kể từ ngày được cấp Giấy chứng nhận đăng ký đầu tư điều chỉnh lần thứ hai (ngày 06/6/2017);

- Thời gian thực hiện hoạt động kinh doanh cửa hàng miễn thuế là 40 *(Bốn mươi)* năm kể từ ngày được cấp Giấy chứng nhận đăng ký đầu tư điều chỉnh lần thứ ba (ngày 14/9/2017).

5. Tiến độ thực hiện dự án

(1) Tiến độ thực hiện dự án xây dựng khách sạn Aristo (tính từ ngày 18/3/2011):

- Từ tháng thứ nhất đến hết tháng thứ 38: Hoàn thành xây dựng, lắp đặt;

- Dự án hoạt động ổn định từ tháng thứ 43.

(2) Tiến độ thực hiện hạng mục đầu tư Khu Beer Garden kể từ ngày được cấp Giấy chứng nhận đăng ký đầu tư điều chỉnh:

- Quý II, III/2017: phê duyệt hồ sơ thiết kế và khởi công xây dựng;

- Quý IV/2017: hoàn thành công trình và đưa vào hoạt động ổn định.

(3) Tiến độ thực hiện hạng mục đầu tư kinh doanh cửa hàng miễn thuế kể từ ngày được cấp Giấy chứng nhận đăng ký đầu tư điều chỉnh lần thứ ba như sau:

- Trong thời hạn 06 tháng hoàn thành đầu tư cơ sở vật chất và các điều kiện thiết yếu, lập hồ sơ đề nghị: cấp Giấy chứng nhận đủ điều kiện kinh doanh hàng miễn thuế nộp Tổng cục Hải quan thẩm định, xét duyệt theo quy định; cấp bổ sung ngành nghề đăng ký kinh doanh liên quan đến kinh doanh hàng miễn thuế gửi cơ quan có thẩm quyền xem xét, phê duyệt.

- Trong thời hạn 01 tháng, kể từ ngày được Tổng cục Hải quan cấp Giấy chứng nhận đủ điều kiện kinh doanh hàng miễn thuế: Công ty thực hiện kinh doanh hàng miễn thuế theo đăng ký.

Điều 2. Các ưu đãi đối với Dự án

- Dự án được được hưởng ưu đãi về tiền thuê đất theo các quy định hiện hành có liên quan.

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- Công ty được hưởng các ưu đãi về thuế thu nhập doanh nghiệp theo quy định của Luật Thuế thu nhập doanh nghiệp.

- Công ty được hưởng các ưu đãi về thuế nhập khẩu đối với thiết bị, vật tư, phương tiện vận tải và hàng hóa khác để tạo tài sản cố định theo quy định của Luật thuế xuất khẩu, thuế nhập khẩu tại thời điểm thực hiện thủ tục nhập khẩu; hưởng các ưu đãi thuế khác theo quy định của pháp luật về thuế tại thời điểm nộp thuế hằng năm.

Điều 3. Trách nhiệm của Công ty

- Tổ chức triển khai theo: quy định của Luật Đầu tư, Luật Doanh nghiệp, Luật Xây dựng, Luật Đất đai, Luật Bảo vệ môi trường, Luật Phòng cháy và chữa cháy, Luật thuế xuất khẩu, thuế nhập khẩu, Luật hải quan và các Luật khác có liên quan; quy định pháp luật hiện hành của Nhà nước và quy định của tỉnh Lào Cai; các quy định của Giấy Chứng nhận đăng ký đầu tư này và Điều lệ Công ty.

- Tuân thủ các quy định pháp luật hiện hành về hoạt động kinh doanh trò chơi có thưởng dành cho người nước ngoài.

- Việc triển khai kinh doanh hàng miễn thuế của Công ty chỉ được thực hiện khi đáp ứng các điều kiện sau: được Tổng Cục Hải quan thẩm định, cấp Giấy chứng nhận đủ điều kiện kinh doanh hàng miễn thuế; được cơ quan có thẩm quyền cấp giấy phép kinh doanh thực hiện quyền xuất khẩu, quyền nhập khẩu và quyền phân phối theo quy định tại Nghị định số 27/2007/NĐ-CP, Thông tư số 08/2013/TT-BCT ngày 22/4/2013 và diện mặt hàng đáp ứng lộ trình mặt hàng công bố tại Thông tư số 34/2014/TT-BCT. Hoạt động kinh doanh hàng miễn thuế phải tuân thủ đúng các quy định, hướng dẫn tại: Nghị định số 68/2016/NĐ-CP ngày 01/7/2016 của Chính phủ quy định về điều kiện kinh doanh hàng miễn thuế, kho bãi, địa điểm làm thủ tục hải quan, tập kết, kiểm tra, giám sát hải quan; Nghị định số 167/2016/NĐ-CP ngày 27/12/2016 của Chính phủ về kinh doanh hàng miễn thuế, trong đó bao gồm quy định *"hàng hóa miễn thuế chỉ được nhận tại quầy nhận hàng trong khu cách ly tại cửa khẩu quốc tế nơi hành khách xuất cảnh"*; và các quy định khác có liên quan.

- Trong quá trình tồn tại của Dự án, Công ty nghiêm túc thực hiện chế độ báo cáo định kỳ mỗi quý một lần vào ngày 20 của tháng cuối quý về tiến độ, tình hình thực hiện Dự án gửi về Sở Kế hoạch và Đầu tư tỉnh Lào Cai; và báo cáo đột xuất theo yêu cầu của cơ quan quản lý nhà nước có thẩm quyền.

Điều 4. Chấm dứt hoạt động đầu tư của dự án

Cơ quan có thẩm quyền tỉnh Lào Cai thực hiện chấm dứt hoạt động dự án đầu tư theo quy định tại Điều số 48 Luật Đầu tư năm 2014 và các quy định

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của pháp luật hiện hành có liên quan. Công ty tự chịu trách nhiệm đối với toàn bộ kinh phí của Dự án đã triển khai.

Điều 5. Các sở, ban, ngành của tỉnh căn cứ chức năng, nhiệm vụ hướng dẫn, giúp đỡ Công ty được hưởng các chính sách ưu đãi đầu tư thuận lợi.

Điều 6: Hiệu lực của Giấy chứng nhận đăng ký đầu tư

Giấy chứng nhận đăng ký đầu tư này có hiệu lực kể từ ngày ký và thay thế nội dung dự án đăng ký đầu tư đã được cấp tại Giấy chứng nhận đăng ký đầu tư số 3243541566 do Sở Kế hoạch và Đầu tư tỉnh Lào Cai chứng nhận điều chỉnh lần thứ hai ngày 06/6/2017.

Giấy chứng nhận đăng ký đầu tư này được lập thành 02 (hai) bản gốc có giá trị pháp lý như nhau, trong đó: 01 bản được cấp cho Công ty và 01 bản lưu tại Sở Kế hoạch và Đầu tư tỉnh Lào Cai.

Nơi nhận:
- Như Điều 6;
- Lưu KTĐN.

GIÁM ĐỐC

Hoàng Quốc Khánh

5

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HỢP ĐỒNG THUÊ ĐẤT

CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc

Số: 58 /HĐTĐ

Lào Cai, ngày 17 tháng 10 năm 2017

HỢP ĐỒNG THUÊ ĐẤT

Căn cứ Luật Đất đai ngày 29 tháng 11 năm 2013;

Căn cứ Nghị định số 43/2014/NĐ-CP ngày 15 tháng 5 năm 2014 của Chính phủ quy định chi tiết thi hành Luật Đất đai;

Căn cứ Thông tư số 30/2014/TT-BTNMT ngày 02 tháng 6 năm 2014 của Bộ Tài nguyên và Môi trường quy định về hồ sơ giao đất, cho thuê đất, chuyển mục đích sử dụng đất, thu hồi đất;

Căn cứ Quyết định số 845/QĐ-UBND ngày 08/4/2011 của UBND tỉnh Lào Cai về việc phê duyệt cho Công ty TNHH Liên doanh khách sạn Quốc tế Lào Cai thuê đất tại đầu cầu Phố Mới, phường Kim Tân, thành phố Lào Cai, tỉnh Lào Cai;

Căn cứ Công văn số 1752/UBND-TNMT ngày 08/7/2011 của UBND tỉnh Lào Cai về đơn giá thuê đất đối với diện tích đất do Công ty TNHH Liên doanh khách sạn Quốc tế Lào Cai thuê;

Căn cứ Quyết định số 1593/QĐ-UBND ngày 11/6/2014 của UBND tỉnh Lào Cai về việc phê duyệt thu hồi một phần diện tích đất của Công ty TNHH Liên doanh khách sạn Quốc tế Lào Cai;

Căn cứ Quyết định số 1178/QĐ-UBND ngày 14/4/2017 của UBND tỉnh Lào Cai về việc phê duyệt thu hồi một phần diện tích đất của Công ty TNHH Liên doanh khách sạn Quốc tế Lào Cai;

Căn cứ Hợp đồng thuê đất số 125/HĐTD ngày 29/7/2011.

Hôm nay, ngày 17 tháng 10 năm 2017, tại trụ sở Sở Tài nguyên và Môi trường tỉnh Lào Cai tầng 5, tòa nhà khối 7, đường Đại lộ Trần Hưng Đạo, phường Nam Cường, thành phố Lào Cai, tỉnh Lào Cai chúng tôi gồm:

I. Bên cho thuê đất là Ủy ban nhân dân tỉnh Lào Cai

Do ông: Nguyễn Thành Sinh - Chức vụ: Giám đốc Sở Tài nguyên và Môi trường tỉnh Lào Cai làm đại diện.

II. Bên thuê đất là Công ty TNHH Liên doanh khách sạn Quốc tế Lào Cai.

Giấy phép đầu tư số 2268/GP do Bộ Kế hoạch và Đầu tư cấp ngày 19/7/2002; Giấy chứng nhận đầu tư số: 12122000028 do UBND tỉnh Lào Cai cấp, chứng nhận lần đầu ngày 18/3/2011, chứng nhận lần thứ nhất ngày 06/8/2013, thay đổi lần thứ 2 ngày 16/10/2013; Giấy chứng nhận đăng ký đầu tư, mã số dự án: 3243541566 chứng nhận lần đầu ngày 19/9/2016, chứng nhận điều chỉnh lần đầu ngày 09/3/2017. Giấy chứng nhận đăng ký doanh nghiệp, mã số doanh nghiệp: 5300208103 do Sở Kế hoạch và Đầu tư tỉnh Lào Cai cấp, đăng ký lần đầu ngày 27/2/2009, đăng ký thay đổi lần 2 ngày 21/02/2017.

Địa chỉ trụ sở: Số 028, đường Yết Kiêu, phường Kim Tân, thành phố Lào Cai, tỉnh Lào Cai.

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Tài khoản số: 0951004173279 tại Ngân hàng TMCP Ngoại thương Việt Nam - Chi nhánh Lào Cai.

Do ông: Goh Kwey Biaw - Chức vụ: Tổng Giám đốc Công ty TNHH Liên doanh khách sạn Quốc tế Lào Cai làm đại diện.

III. Hai Bên thỏa thuận ký hợp đồng thuê đất với các điều, khoản sau đây:

Điều 1. Bên cho thuê đất cho Bên thuê đất thuê khu đất như sau:

1. Diện tích đất thuê: 44.595,6 m^2 *(Bốn mươi bốn nghìn năm trăm chín mươi lăm phẩy sáu mét vuông).*

Tại: Số 028, đường Yết Kiêu, phường Kim Tân, thành phố Lào Cai, tỉnh Lào Cai (đầu cầu Phố Mới, phường Kim Tân, thành phố Lào Cai, tỉnh Lào Cai).

2. Vị trí, ranh giới khu đất được xác định theo Trích lục bản đồ địa chính đã được chỉnh lý biến động kèm theo.

3. Thời gian thuê đất: Đến hết tháng 3/2061.

4. Mục đích sử dụng: Đất thương mại dịch vụ (Xây dựng Khách sạn 5 sao và tổ hợp vui chơi giải trí theo dự án được duyệt).

Điều 2. Bên thuê đất có trách nhiệm trả tiền thuê đất theo quy định sau:

1. Giá tính tiền thuê đất là: 36.750,0 đồng/m^2/năm, (Bằng chữ: Ba mươi sáu nghìn bảy trăm năm mươi đồng một mét vuông một năm). Giá tính tiền thuê đất được ổn định 05 năm, hết thời hạn 05 năm phải xác định lại đơn giá theo quy định.

2. Tiền thuê đất được tính:

- Diện tích 45.086,8 m^2 được tính từ ngày từ ngày 08/4/2011 đến ngày 11/6/2014.

- Diện tích 44.796,8 m^2 được tính từ ngày từ ngày 11/6/2014 đến ngày 14/4/2017.

- Diện tích 44.595,6 m^2 được tính từ ngày từ ngày 14/4/2017.

3. Phương thức nộp tiền thuê đất: Trả tiền thuê đất hàng năm.

4. Nơi nộp tiền thuê đất: Chi cục Thuế thành phố Lào Cai.

5. Việc cho thuê đất không làm mất quyền của Nhà nước là đại diện chủ sở hữu đất đai và mọi tài nguyên trong lòng đất.

Điều 3. Việc sử dụng đất trên khu đất thuê phải phù hợp với mục đích sử dụng đất đã ghi trong Điều 1 của Hợp đồng này và phù hợp với Giấy chứng nhận đăng ký đầu tư.

Điều 4. Quyền và nghĩa vụ của các Bên

1. Bên cho thuê đất đảm bảo việc sử dụng đất của Bên thuê đất trong thời gian thực hiện hợp đồng, trừ trường hợp phải thu hồi đất theo quy định của pháp luật về đất đai;

2. Trong thời gian thực hiện hợp đồng, Bên thuê đất có các quyền và nghĩa vụ theo quy định của pháp luật về đất đai.

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Trường hợp Bên thuê đất bị thay đổi do chia tách, sáp nhập, chuyển đổi doanh nghiệp, bán tài sản gắn liền với đất thuê cho tổ chức, cá nhân khác thì tổ chức, cá nhân được hình thành hợp pháp sau khi Bên thuê đất bị thay đổi hoặc tổ chức, cá nhân mua tài sản sẽ thực hiện tiếp quyền và nghĩa vụ của Bên thuê đất trong thời hạn còn lại của Hợp đồng này.

3. Trong thời hạn hợp đồng còn hiệu lực thi hành, nếu Bên thuê đất trả lại toàn bộ hoặc một phần khu đất thuê trước thời hạn thì phải thông báo cho Bên cho thuê đất biết ít nhất là 6 tháng. Bên cho thuê đất trả lời cho Bên thuê đất trong thời gian 03 tháng, kể từ ngày nhận được đề nghị của Bên thuê đất, và Bên thuê đất làm thủ tục thu hồi đất theo quy định của pháp luật. Thời điểm kết thúc hợp đồng tính đến ngày bàn giao mặt bằng.

4. Công ty TNHH Liên doanh khách sạn Quốc tế Lào Cai có trách nhiệm sử dụng đất đúng mục đích, tuân thủ các quy định về bảo vệ môi trường, không được làm tổn hại đến quyền, lợi ích hợp pháp của người sử dụng đất xung quanh và tuân thủ nghiêm chỉnh những quy định của pháp luật có liên quan trong quá trình quản lý, sử dụng đất.

Điều 5. Hợp đồng thuê đất chấm dứt trong các trường hợp sau:

1. Hết thời hạn thuê đất mà không được gia hạn thuê tiếp;

2. Do đề nghị của một bên hoặc các bên tham gia hợp đồng và được cơ quan nhà nước có thẩm quyền cho thuê đất đó chấp thuận;

3. Bên thuê đất bị phá sản hoặc bị phát mại tài sản hoặc giải thể;

4. Bên thuê đất bị cơ quan nhà nước có thẩm quyền thu hồi đất theo quy định của pháp luật về đất đai.

Điều 6. Việc giải quyết tài sản gắn liền với đất sau khi kết thúc Hợp đồng này được thực hiện theo quy định của pháp luật.

Điều 7. Hai Bên cam kết thực hiện đúng quy định của Hợp đồng này, nếu Bên nào không thực hiện thì Bên đó phải bồi thường do việc vi phạm hợp đồng gây ra theo quy định của pháp luật.

Cam kết khác: Không.

Điều 8. Hợp đồng thuê đất này thay thế cho Hợp đồng thuê đất số 125/HĐTĐ ngày 29/7/2011. Hợp đồng này được lập thành 04 bản có giá trị pháp lý như nhau, mỗi Bên giữ 01 bản và gửi đến cơ quan thuế, kho bạc nhà nước nơi thu tiền thuê đất.

Hợp đồng này có hiệu lực kể từ ngày ký./.

BÊN THUÊ ĐẤT	BÊN CHO THUÊ ĐẤT
TỔNG GIÁM ĐỐC GENERAL DIRECTOR GOH KWEY BIAW	GIÁM ĐỐC Nguyễn Thành Tính

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CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc

GIẤY CHỨNG NHẬN
QUYỀN SỬ DỤNG ĐẤT
QUYỀN SỞ HỮU NHÀ Ở VÀ TÀI SẢN KHÁC GẮN LIỀN VỚI ĐẤT

I. Tên người sử dụng đất, chủ sở hữu nhà ở và tài sản gắn liền với đất:

Công ty Liên doanh khách sạn quốc tế Lào Cai
Giấy phép đầu tư số: 2268/GP do Bộ Kế hoạch và Đầu tư
cấp ngày 19 tháng 7 năm 2002.
Địa chỉ trụ sở chính tại: Số 88, đường Thủy Hoa, phường Duyên Hải,
thành phố Lào Cai, tỉnh Lào Cai.

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II. Thửa đất, nhà ở và tài sản khác gắn liền với đất

1. Thửa đất:

a) Thửa đất số: 00 , tờ bản đồ số: 00

b) Địa chỉ: Đầu cầu Phố Mới, phường Kim Tân, thành phố lào Cai, tỉnh Lào Cai.

c) Diện tích: 45.086,8 m^2 (Bằng chữ: Bốn mươi lăm nghìn không trăm tám mươi sáu phẩy tám mét vuông).

d) Hình thức sử dụng: riêng: 45.086,8 m^2, chung: Không.

đ) Mục đích sử dụng: Xây dựng khách sạn 4 sao và tổ hợp vui chơi giải trí theo dự án được duy

e) Thời hạn sử dụng: Thời hạn sử dụng đến hết tháng 3/2061 (50 năm).

g) Nguồn gốc sử dụng: Nhà nước cho thuê đất trả tiền thuê đất hàng năm.

2. Nhà ở: -/-

3. Công trình xây dựng khác: -/-

4. Rừng sản xuất là rừng trồng: -/-

5. Cây lâu năm: -/-

6. Ghi chú: Số liệu và diện tích thửa đất chưa được xác định theo bản đồ địa chính (Thửa đất được trích đo địa chính).

Lào Cai, ngày 08 tháng 4 năm 2011

TM. ỦY BAN NHÂN DÂN TỈNH LÀO CAI

KT.CHỦ TỊCH

PHÓ CHỦ TỊCH

Doãn Văn Hưởng

Số vào sổ cấp GCN: CT00463

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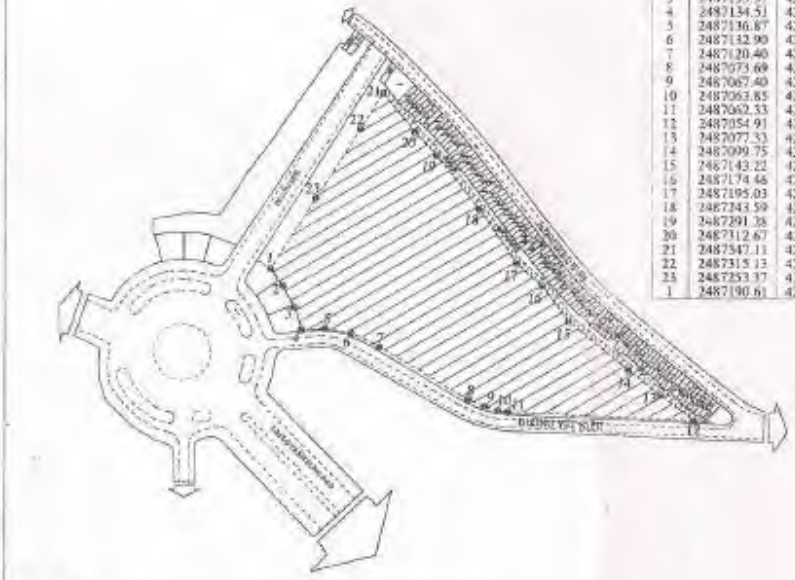
III. Sơ đồ thửa đất, nhà ở và tài sản khác gắn liền với đất:

TOẠ ĐỘ CẤP ĐỘNG THỬA ĐẤT
(Hệ toạ độ VN 2000)

Tên điểm	X (m)	Y (m)	S (m)
1	2487190.61	420178.84	
2	2487174.87	420189.90	19.24
3	2487155.37	420200.38	22.14
4	2487134.51	420207.19	21.94
5	2487116.87	420226.87	19.82
6	2487132.90	420250.93	24.39
7	2487120.40	420275.75	27.79
8	2487073.69	420355.18	92.15
9	2487067.40	420370.03	16.13
10	2487063.85	420383.87	12.36
11	2487062.33	420396.75	9.01
12	2487054.91	420556.38	165.80
13	2487077.33	420527.74	36.37
14	2487099.75	420499.09	36.38
15	2487143.22	420444.83	69.53
16	2487174.46	420421.30	39.11
17	2487195.03	420398.22	30.92
18	2487243.59	420365.03	58.83
19	2487291.38	420326.92	61.05
20	2487312.67	420306.81	29.36
21	2487347.11	420278.65	44.49
22	2487315.13	420258.59	37.75
23	2487253.37	420218.98	73.37
1	2487190.61	420178.84	74.50



GHI CHÚ

Ranh giới cho thửa đất; cấp Giấy chứng nhận quyền sử dụng đất giai đoạn 1

Diện tích: 45.086,8 m^2

Ranh giới thửa đất nhìn giải phóng mặt bằng

Diện tích: 2.035,2 m^2

TỶ LỆ: 1/5000

IV. Những thay đổi sau khi cấp Giấy chứng nhận:

Nội dung thay đổi và cơ sở pháp lý	Xác nhận của cơ quan có thẩm quyền
Nhà nước thu hồi 290 m^2 đất; diện tích còn lại là 44.796,8 m^2 có số hiệu thửa là 40 theo hồ sơ số 000316.TH.001 tại Quyết định thu hồi số 1593/QĐ-UBND ngày 11/6/2014 của UBND tỉnh Lào Cai.	Ngày 20 tháng 1 năm 2016 PHÓ GIÁM ĐỐC Nguyễn Thị Bưởi

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TRANG BỔ SUNG GIẤY CHỨNG NHẬN

Thửa đất số: ...cv... Tờ bản đồ số: ...cv...
Số phát hành GCN: BB.cv.626 Số vào sổ cấp GCN: ...cv.00463...

Nội dung thay đổi và cơ sở pháp lý	Xác nhận của cơ quan có thẩm quyền
Thế chấp tài sản gắn liền với đất Hình thành trong tương lai tại Ngân Hàng Thương mại cổ phần Đại Dương Chi nhánh Hà Nội địa chỉ 199 Nguyễn Lương Bằng, thành phố Hải Dương, Tỉnh Hải Dương, Hợp đồng Thế chấp Không có số lập ngày 11/7/2011, theo Kế toán tổng Kỳ Thế chấp số QB0189 Nội dung đã đăng Ký Thế chấp ngày 29/9/2011 có Thay đổi - Bên nhận Thế chấp là Ngân hàng TM Cổ phần Đại Dương - Chi nhánh Hà Nội. Địa chỉ: Số 199 Nguyễn Lương Bằng, thành phố Hải Dương, Tỉnh Hải Dương thành Ngân hàng thương mại TNHH MTV Đại Dương - Chi nhánh Hà Nội (Phòng giao dịch Đại Dung Anh) địa chỉ: Số 18, Ngõ Quyền, phường Trung Tiền, Quận Hoàn Kiếm, Thành phố Hà Nội. - Tài sản thế chấp là tài sản gắn liền với đất hình thành trong tương lai này đã hình thành. Theo hồ sơ số 000316.TC.007	Ngày 29-9-2011 GIÁM ĐỐC Trần Văn Phương Ngày 20/11/2017 PHÓ GIÁM ĐỐC Nguyễn Thị Bưởi

Trang bổ sung số: 01

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Nội dung thay đổi và cơ sở pháp lý	Xác nhận của cơ quan có thẩm quyền
Xóa nội dung đăng ký thế chấp ngày 29/9/2021 theo hồ sơ số CQ 952 xc 008.21	Ngày 05/01/2023 PHÓ GIÁM ĐỐC Hoàng Thị Kim Oanh
	(Chuyển tiếp Trang bổ sung số:.....)

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Appendix 4 Valuation calculation

Aristo International Hotel (Casino Portion) - Going Concern Basis

Valuation Date	**17-Mar-25**
Currency	**VND**
Ex Rate as at 17 Mar 25	**0.00003917**

Calendar year	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**	**Year 11**
Start date	18-Mar-2025	18-Mar-2026	18-Mar-2027	18-Mar-2028	18-Mar-2029	18-Mar-2030	18-Mar-2031	18-Mar-2032	18-Mar-2033	18-Mar-2034	18-Mar-2035
End date	17-Mar-2026	17-Mar-2027	17-Mar-2028	17-Mar-2029	17-Mar-2030	17-Mar-2031	17-Mar-2032	17-Mar-2033	17-Mar-2034	17-Mar-2035	17-Mar-2036
1. OPERATING MEASURES											
Casino Component											
- Total Table Games	8	8	8	8	8	8	8	8	8	8	8
- Total Slot Machine	88	88	88	88	88	88	88	88	88	88	88
2. P&L STATEMENT											
Casino Revenue (VND)											
Growth Rate (%)	***0.5%***	***0.5%***	***1.0%***	***1.0%***	***2.0%***	***2.0%***	***2.0%***	***2.0%***	***2.0%***	***2.0%***	***2.0%***
- Table Games	156,381,694,935	157,163,603,410	158,735,239,444	160,322,591,838	163,529,043,675	166,799,624,549	170,135,617,040	173,538,329,380	177,009,095,968	180,549,277,887	184,160,263,445
Growth Rate (%)	***0.5%***	***0.5%***	***1.0%***	***1.0%***	***2.0%***	***2.0%***	***2.0%***	***2.0%***	***2.0%***	***2.0%***	***2.0%***
- Slot Machine	23,615,505,061	23,733,582,586	23,970,918,412	24,210,627,596	24,694,840,148	25,188,736,951	25,692,511,690	26,206,361,924	26,730,489,163	27,265,098,946	27,810,400,925
Total Revenue (VND)	**179,997,199,996**	**180,897,185,996**	**182,706,157,856**	**184,533,219,435**	**188,223,883,823**	**191,988,361,500**	**195,828,128,730**	**199,744,691,305**	**203,739,585,131**	**207,814,376,833**	**211,970,664,370**
Overall Growth (%)	0.5%	0.5%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Departmental Expenses											
Growth Rate (%)		*0.5%*	*1.0%*	*1.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Total Departmental Expenses (VND)	**59,399,075,999**	**59,696,071,379**	**60,293,032,093**	**60,895,962,413**	**62,113,881,662**	**63,356,159,295**	**64,623,282,481**	**65,915,748,130**	**67,234,063,093**	**68,578,744,355**	**69,950,319,242**
Total Department Profits (VND)	**120,598,123,997**	**121,201,114,617**	**122,413,125,764**	**123,637,257,021**	**126,110,002,162**	**128,632,202,205**	**131,204,846,249**	**133,828,943,174**	**136,505,522,038**	**139,235,632,478**	**142,020,345,128**
Undistributed Expenses											
Growth Rate (%)		*0.5%*	*1.0%*	*1.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Total Undistributed Expenses (VND)	**17,999,720,000**	**18,089,718,600**	**18,270,615,786**	**18,453,321,943**	**18,822,388,382**	**19,198,836,150**	**19,582,812,873**	**19,974,469,130**	**20,373,958,513**	**20,781,437,683**	**21,197,066,437**
% on Total Rev	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
GOP (VND)	**102,598,403,998**	**103,111,396,018**	**104,142,509,978**	**105,183,935,078**	**107,287,613,779**	**109,433,366,055**	**111,622,033,376**	**113,854,474,044**	**116,131,563,524**	**118,454,194,795**	**120,823,278,691**
Fixed Charges											
Growth Rate (%)		*0.5%*	*1.0%*	*1.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
- Property insurance	179,997,200	180,897,186	182,706,158	184,533,219	188,223,884	191,988,361	195,828,129	199,744,691	203,739,585	207,814,377	211,970,664
Total Fixed Charges (VND)	**179,997,200**	**180,897,186**	**182,706,158**	**184,533,219**	**188,223,884**	**191,988,361**	**195,828,129**	**199,744,691**	**203,739,585**	**207,814,377**	**211,970,664**
Growth Rate (%)		0.5%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Total Capex	**8,999,860,000**	**9,044,859,300**	**9,135,307,893**	**9,226,660,972**	**9,411,194,191**	**9,599,418,075**	**9,791,406,436**	**9,987,234,565**	**10,186,979,257**	**10,390,718,842**	**10,598,533,218**
FF&E (% on Total Rev)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Net Cashflow (VND)	**93,418,546,798**	**93,885,639,532**	**94,824,495,927**	**95,772,740,887**	**97,688,195,704**	**99,641,959,618**	**101,634,798,811**	**103,667,494,787**	**105,740,844,683**	**107,855,661,576**	**110,012,774,808**
Discount rate @ 22.0%	0.8197	0.6719	0.5507	0.4514	0.3700	0.3033	0.2486	0.2038	0.1670	0.1369	0.1122
Terminal cap @ 20.0%											4.9568
Present Value	$ 76,572,579,343	$ 63,078,231,344	$ 52,220,502,998	$ 43,231,727,892	$ 36,144,559,385	$ 30,219,221,781	$ 25,265,250,997	$ 21,123,406,571	$ 17,660,553,035	$ 14,765,380,406	$ 12,344,826,241

Aristo International Hotel (Casino Portion) - Going Concern Basis

NPV	$441,471,980,422
less Land Rent	-$31,363,212,213
MV Say (VND)	$410,110,000,000
MV Say (USD)	**$16,060,000**

personal

Aristo International Hotel (Hotel and the existing Retail Portions) - Going Concern Basis

Date of Valuation Advisory	17-Mar-2025
Date of Expiring	31-Mar-2061
Available Daily Room	353
Exchange rate	25,531
Currency	US$

Assumptions

Items	Adopted Rate (%)
Discount rate	22.00%
Sustainable growth rate	2.00%
Exit CAP. Rate	20.00%
Reversion Exp	3.00%

Remaining Land Use Rights Term

From	To	No. of years	Remarks
17-Mar-2025	31-Mar-2061	36.0	From Date of Valuation Advisory to Land Use Rights Term Expiry Date
16-Mar-2035	31-Mar-2061	26.0	From End Date of DCF Model to Land Use Rights Term Expiry Date

		FORECAST										
Calendar year	**Unit**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Start date		17-Mar-2025	17-Mar-2026	17-Mar-2027	17-Mar-2028	17-Mar-2029	17-Mar-2030	17-Mar-2031	17-Mar-2032	17-Mar-2033	17-Mar-2034	17-Mar-2035
End date		16-Mar-2026	16-Mar-2027	16-Mar-2028	16-Mar-2029	16-Mar-2030	16-Mar-2031	16-Mar-2032	16-Mar-2033	16-Mar-2034	16-Mar-2035	16-Mar-2036
1. OPERATING MEASURES												
Hotel Component												
No. of Daily Room Available	**Rooms**	**339**	**353**	**353**	**353**	**353**	**353**	**353**	**353**	**353**	**353**	**353**
- Occupancy rate of Hotel	%	50.0%	55.0%	60.0%	65.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
- Occupied rooms	Rooms	170	194	212	229	247	247	247	247	247	247	247
- ADR	US$/room/night	37	38	39	39	40	41.1	41.9	42.7	43.6	44.5	45.4
- Growth Rate	%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
- RevPAR	US$/room/night	19	21	23	26	28	28.8	29.3	29.9	30.5	31.1	31.8
Retail Component												
- Total NLA (Net Leasable Area)	**sqm**	10,882.9	10,882.9	10,882.9	10,882.9	10,882.9	10,882.9	10,882.9	10,882.9	10,882.9	10,882.9	10,882.9
- Occupancy rate	**%**	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
- Rental	US$/sqm/month	1.34	1.36	1.39	1.42	1.45	1.48	1.51	1.54	1.57	1.60	1.63
- Growth Rate	%		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
2. P&L STATEMENT												
TOTAL REVENUE		**2,869,719**	**3,326,221**	**3,684,173**	**4,046,016**	**4,429,872**	**4,518,470**	**4,620,981**	**4,701,016**	**4,795,036**	**4,890,937**	**4,992,041**
% Total Hotel Rev		***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***
- Room		**2,302,069**	**2,689,591**	**3,000,980**	**3,307,023**	**3,632,638**	**3,705,290**	**3,789,751**	**3,854,984**	**3,932,084**	**4,010,725**	**4,093,742**
% Total Hotel Rev		*81.1%*	*81.2%*	*81.5%*	*81.5%*	*81.6%*	*81.6%*	*81.6%*	*81.6%*	*81.6%*	*81.6%*	*81.6%*
- F&B		**410,378**	**476,214**	**519,567**	**572,095**	**626,999**	**639,539**	**654,117**	**665,376**	**678,684**	**692,257**	**706,586**
% Total Hotel Rev		*14.5%*	*14.4%*	*14.1%*	*14.1%*	*14.1%*	*14.1%*	*14.1%*	*14.1%*	*14.1%*	*14.1%*	*14.1%*
- Retail		**157,271**	**160,417**	**163,625**	**166,898**	**170,236**	**173,640**	**177,113**	**180,655**	**184,269**	**187,954**	**191,713**
% Total Hotel Rev		*4.5%*	*4.4%*	*4.4%*	*4.4%*	*4.4%*	*4.4%*	*4.4%*	*4.4%*	*4.4%*	*4.4%*	*4.4%*
DEPARTMENT EXPENSES		**794,129**	**916,526**	**999,561**	**1,097,426**	**1,198,972**	**1,222,951**	**1,250,697**	**1,272,359**	**1,297,806**	**1,323,762**	**1,351,126**
% Total Hotel Rev		*27.7%*	*27.6%*	*27.1%*	*27.1%*	*27.1%*	*27.1%*	*27.1%*	*27.1%*	*27.1%*	*27.1%*	*27.1%*
UNDISTRIBUTED EXPENSES		**470,708**	**545,586**	**604,299**	**663,651**	**726,613**	**741,145**	**757,960**	**771,087**	**786,509**	**802,239**	**818,823**
% Total Hotel Rev		*16.4%*	*16.4%*	*16.4%*	*16.4%*	*16.4%*	*16.4%*	*16.4%*	*16.4%*	*16.4%*	*16.4%*	*16.4%*
GOP		**1,604,883**	**1,864,110**	**2,080,313**	**2,284,940**	**2,504,288**	**2,554,373**	**2,612,325**	**2,657,570**	**2,710,721**	**2,764,936**	**2,822,092**
% Total Hotel Rev		*55.9%*	*56.0%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*
Income before fixed charges		**1,604,883**	**1,864,110**	**2,080,313**	**2,284,940**	**2,504,288**	**2,554,373**	**2,612,325**	**2,657,570**	**2,710,721**	**2,764,936**	**2,822,092**
% Total Hotel Rev		*55.9%*	*56.0%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*	*56.5%*
Selected fixed charges		**147,052**	**169,985**	**187,834**	**205,897**	**225,050**	**229,551**	**234,758**	**238,824**	**243,601**	**248,473**	**253,609**
% Total Hotel Rev		*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*
- Property insurance		3,566	3,674	3,625	3,596	3,556	3,627	3,709	3,774	3,849	3,926	4,007
% Total Hotel Rev		*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*
- FF&E reserves		143,486	166,311	184,209	202,301	221,494	225,923	231,049	235,051	239,752	244,547	249,602
% Total Hotel Rev		*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
EBITDA		**1,457,830**	**1,694,124**	**1,892,479**	**2,079,043**	**2,279,238**	**2,324,823**	**2,377,566**	**2,418,746**	**2,467,120**	**2,516,463**	**2,568,483**
% Total Hotel Rev		***50.8%***	***50.9%***	***51.4%***	***51.4%***	***51.5%***	***51.5%***	***51.5%***	***51.5%***	***51.5%***	***51.5%***	***51.5%***
3. CASHFLOW STATEMENT												
EBITDA		1,457,830	1,694,124	1,892,479	2,079,043	2,279,238	2,324,823	2,377,566	2,418,746	2,467,120	2,516,463	
Terminal value											12,731,077	
- Less Reversion Exp											381,932	
NET CASH FLOW		**1,457,830**	**1,694,124**	**1,892,479**	**2,079,043**	**2,279,238**	**2,324,823**	**2,377,566**	**2,418,746**	**2,467,120**	**14,865,608**	

NPV (US$)	**$9,393,253**
Less NPV Land Rent (US$)	**-$576,930**
MV Say (US$)	**$8,820,000**

Aristo International Hotel (Hotel and the existing Retail Portions) - Vacant Possession Basis

Date of Valuation Advisory	17-Mar-2025
Date of Expiring	31-Mar-2061
Available Daily Room	393
Exchange rate	25,531
Currency	US$

Assumptions

Items	Adopted Rate (%)
Discount rate	14.00%
Sustainable growth rate	3.00%
Exit CAP. Rate	11.00%
Reversion Exp	3.00%

Remaining Land Use Rights Term

From	To	No. of years	Remarks
17-Mar-2025	31-Mar-2061	36.0	From Date of Valuation Advisory to Land Use Rights Term Expiry Date
16-Mar-2035	31-Mar-2061	26.0	From End Date of DCF Model to Land Use Rights Term Expiry Date

		FORECAST										
Calendar year	**Unit**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Start date		17-Mar-2025	17-Mar-2026	17-Mar-2027	17-Mar-2028	17-Mar-2029	17-Mar-2030	17-Mar-2031	17-Mar-2032	17-Mar-2033	17-Mar-2034	17-Mar-2035
End date		16-Mar-2026	16-Mar-2027	16-Mar-2028	16-Mar-2029	16-Mar-2030	16-Mar-2031	16-Mar-2032	16-Mar-2033	16-Mar-2034	16-Mar-2035	16-Mar-2036
Number of date		365	365	366	365	365	365	366	365	365	365	365.3
Project year		1	2	3	4	5	6	7	8	9	10	11
PV Factor		0.88	0.77	0.67	0.59	0.52	0.46	0.40	0.35	0.31	0.27	0.24
	Unit											
1. OPERATING MEASURES												
Hotel Component												
No. of Daily Room Available	**Rooms**	**367**	**393**	**393**	**393**	**393**	**393**	**393**	**393**	**393**	**393**	**393**
- Occupancy rate of Hotel	%	30.0%	40.0%	50.0%	60.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
- Occupied rooms	Rooms	110	157	197	236	255	255	255	255	255	255	255
- ADR	US$/Room/Night	55	56	58	60	62	63.6	65.5	67.4	69.5	71.5	73.7
- Growth Rate	%		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
- RevPAR	US$/Room/Night	16	23	29	36	40	41.3	42.6	43.8	45.2	46.5	47.9
2. P&L STATEMENT												
TOTAL REVENUE		**3,866,033**	**5,685,491**	**7,340,125**	**9,047,606**	**10,095,621**	**10,398,489**	**10,739,788**	**11,031,757**	**11,362,710**	**11,703,591**	**12,062,956**
% Total Hotel Rev		***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***
- Room		**2,203,639**	**3,240,730**	**4,183,871**	**5,157,136**	**5,754,504**	**5,927,139**	**6,121,679**	**6,288,102**	**6,476,745**	**6,671,047**	**6,875,885**
% Total Hotel Rev		*57.0%*	*57.0%*	*57.0%*	*57.0%*	*57.0%*	*57.0%*	*57.0%*	*57.0%*	*57.0%*	*57.0%*	*57.0%*
- F&B		**1,484,557**	**2,183,229**	**2,818,608**	**3,474,281**	**3,876,718**	**3,993,020**	**4,124,078**	**4,236,195**	**4,363,281**	**4,494,179**	**4,632,175**
% Total Hotel Rev		*38.4%*	*38.4%*	*38.4%*	*38.4%*	*38.4%*	*38.4%*	*38.4%*	*38.4%*	*38.4%*	*38.4%*	*38.4%*
- Retail		**177,838**	**261,533**	**337,646**	**416,190**	**464,399**	**478,331**	**494,030**	**507,461**	**522,685**	**538,365**	**554,896**
% Total Hotel Rev		*4.6%*	*4.6%*	*4.6%*	*4.6%*	*4.6%*	*4.6%*	*4.6%*	*4.6%*	*4.6%*	*4.6%*	*4.6%*
DEPARTMENT EXPENSES		**1,470,608**	**2,059,729**	**2,532,539**	**2,973,015**	**3,317,389**	**3,416,911**	**3,529,061**	**3,625,001**	**3,733,751**	**3,845,763**	**3,963,849**
% Total Hotel Rev		*38.0%*	*36.2%*	*34.5%*	*32.9%*	*32.9%*	*32.9%*	*32.9%*	*32.9%*	*32.9%*	*32.9%*	*32.9%*
UNDISTRIBUTED EXPENSES		**969,502**	**1,357,881**	**1,669,583**	**1,959,968**	**2,186,997**	**2,252,607**	**2,326,542**	**2,389,791**	**2,461,485**	**2,535,329**	**2,613,178**
% Total Hotel Rev		***25.1%***	***23.9%***	***22.7%***	***21.7%***	***21.7%***	*21.7%*	*21.7%*	*21.7%*	*21.7%*	*21.7%*	*21.7%*
GOP		**1,425,923**	**2,267,881**	**3,138,003**	**4,114,623**	**4,591,234**	**4,728,971**	**4,884,185**	**5,016,965**	**5,167,474**	**5,322,498**	**5,485,928**
% Total Hotel Rev		*36.9%*	*39.9%*	*42.8%*	*45.5%*	*45.5%*	*45.5%*	*45.5%*	*45.5%*	*45.5%*	*45.5%*	*45.5%*
Management Fee		**203,815**	**299,736**	**386,967**	**476,985**	**532,236**	**548,203**	**566,196**	**581,588**	**599,036**	**617,007**	**635,952**
% Total Hotel Rev		*5.3%*	*5.3%*	*5.3%*	*5.3%*	*5.3%*	*5.3%*	*5.3%*	*5.3%*	*5.3%*	*5.3%*	*5.3%*
- Base fee		81,899	120,443	155,495	191,667	213,868	220,284	227,514	233,699	240,710	247,932	255,545
% Total Hotel Rev		2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
- Incentive fee		121,916	179,293	231,472	285,318	318,367	327,919	338,681	347,889	358,325	369,075	380,408
% Total Hotel Rev		3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Income before fixed charges		**1,222,108**	**1,968,145**	**2,751,035**	**3,637,639**	**4,058,998**	**4,180,768**	**4,317,989**	**4,435,377**	**4,568,438**	**4,705,492**	**4,849,976**
% Total Hotel Rev		*31.6%*	*34.6%*	*37.5%*	*40.2%*	*40.2%*	*40.2%*	*40.2%*	*40.2%*	*40.2%*	*40.2%*	*40.2%*
Selected fixed charges		**198,106**	**290,555**	**374,229**	**460,421**	**512,885**	**528,272**	**545,610**	**560,443**	**577,257**	**594,574**	**612,831**
% Total Hotel Rev		*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*
- Property insurance		4,805	6,280	7,223	8,041	8,104	8,347	8,621	8,855	9,121	9,395	9,683
% Total Hotel Rev		*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*
- FF&E reserves		193,302	284,275	367,006	452,380	504,781	519,924	536,989	551,588	568,136	585,180	603,148
% Total Hotel Rev		*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
EBITDA		**1,024,002**	**1,677,591**	**2,376,807**	**3,177,217**	**3,546,113**	**3,652,497**	**3,772,379**	**3,874,934**	**3,991,182**	**4,110,917**	**4,237,145**
% Total Hotel Rev		***26.5%***	***29.5%***	***32.4%***	***35.1%***	***35.1%***	***35.1%***	***35.1%***	***35.1%***	***35.1%***	***35.1%***	***37.1%***
3. CASHFLOW STATEMENT												
EBITDA		1,024,002	1,677,591	2,376,807	3,177,217	3,546,113	3,652,497	3,772,379	3,874,934	3,991,182	4,110,917	
Terminal value											35,976,216	
- Less Reversion Exp											1,079,286	
NET CASH FLOW		**1,024,002**	**1,677,591**	**2,376,807**	**3,177,217**	**3,546,113**	**3,652,497**	**3,772,379**	**3,874,934**	**3,991,182**	**39,007,847**	

NPV (US$)	**$23,795,733**
Less NPV Land Rent (US	**-$1,794,336**
Rounded (US$)	**$22,000,000**

Aristo International Hotel (New Retail Portion) - Vacant Possession Basis

Date of Valuation	17-Mar-2025
Date of Expiring	31-Mar-2061
Total Gross Leasable Area (sqm)	1,400
Exchange rate	25,531

Assumptions

Items	Adopted Rate (%)
Discount rate	14.00%
Sustainable growth rate	3.0%
Terminal CAP. Rate	11.00%
Reversion Exp	3.00%

Remaining Land Use Rights Term

From	To	No. of years	Remarks
17-Mar-2025	31-Mar-2061	36.0	From Date of Valuation Advisory to Land Use Rights Term Expiry Date
17-Mar-2035	31-Mar-2061	26.0	From End Date of DCF Model to Land Use Rights Term Expiry Date

Currency:	US$	FORECAST										
Calendar year		**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**
Start date		18-Mar-2025	18-Mar-2026	18-Mar-2027	18-Mar-2028	18-Mar-2029	18-Mar-2030	18-Mar-2031	18-Mar-2032	18-Mar-2033	18-Mar-2034	18-Mar-2035
End date		17-Mar-2026	17-Mar-2027	17-Mar-2028	17-Mar-2029	17-Mar-2030	17-Mar-2031	17-Mar-2032	17-Mar-2033	17-Mar-2034	17-Mar-2035	17-Mar-2036
1. OPERATING MEASURES												
Net rental rate (excluding service charge)	*US$/sqm/month*	**3.0**	**3.1**	**3.2**	**3.3**	**3.4**	**3.5**	**3.6**	**3.7**	**3.8**	**3.9**	**4.0**
- Annual rental growth rate	*%*	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Occupancy	*%*	**50.0%**	**85.0%**	**85.0%**	**85.0%**	**85.0%**	**85.0%**	**85.0%**	**85.0%**	**85.0%**	**85.0%**	**85.0%**
- Total GLA	*sqm*	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
- Occupied GLA	*sqm*	700	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190
2. P&L STATEMENT												
Revenue		**25,200**	**44,125**	**45,449**	**46,812**	**48,217**	**49,663**	**51,153**	**52,688**	**54,268**	**55,896**	**57,573**
% Total Rev		*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Operating Expenses		**756**	**1,324**	**1,363**	**1,404**	**1,447**	**1,490**	**1,535**	**1,581**	**1,628**	**1,677**	**1,727**
% Total Rev		*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Leasing Agency Fee		504	883	909	936	964	993	1,023	1,054	1,085	1,118	1,151
% Total Rev	**2.0%**	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Replacement Reserves		252	441	454	468	482	497	512	527	543	559	576
% Total Rev	**1.0%**	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Net Operating Income		**24,444**	**42,801**	**44,085**	**45,408**	**46,770**	**48,173**	**49,619**	**51,107**	**52,640**	**54,220**	**55,846**
% Total Rev		*97.0%*	*97.0%*	*97.0%*	*97.0%*	*97.0%*	*97.0%*	*97.0%*	*97.0%*	*97.0%*	*97.0%*	*97.0%*
3. CASHFLOW STATEMENT												
Net Operating Income		24,444	42,801	44,085	45,408	46,770	48,173	49,619	51,107	52,640	54,220	
Terminal value											474,162	
- Less Expense associated with investment exit											14,225	
NET CASH FLOW		**24,444**	**42,801**	**44,085**	**45,408**	**46,770**	**48,173**	**49,619**	**51,107**	**52,640**	**514,157**	

NPV (US$)	**$349,880**
Less NPV Land Rent (US$)	**-$8,570**
Casino FF&E (US$)	**$2,081,616**
MV Say (US$)	**$2,420,000**

APPENDIX E: **INDEPENDENT TECHNICAL EXPERT'S REPORT** - THE STAR VEGAS REPORT

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Valuation Report.

DNA Star Vegas Resort & Club, Kbal Spean 1 Village, Poipet Commune, Poipet District, Banteay Meanchey Province, Cambodia

Prepared for BDO Corporate Finance Limited
Valuation date: 17 March 2025

Important Notice to all readers of this report

Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

Locally expert, globally connected.

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Date of issue: 04 June 2025
Our Ref: GV/CYF/JIP/RLE/28356(1)(c)

Valuation Report – DNA Star Vegas Resort & Club, Kbal Spean 1 Village, Poipet Commune, Poipet District, Banteay Meanchey Province, Cambodia

Further to your instructions, we are pleased to provide our Valuation Report in respect of the above property. If you have any queries regarding this report, please let us know as soon as possible.

Signed for and on behalf of Knight Frank Petty Limited

Cyrus Fong FRICS FHKIS RICS Registered Valuer RPS (GP)
Executive Director,
Head of Valuation & Advisory, Greater China
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Signed for and on behalf of Knight Frank (Cambodia) Pte Ltd

Law Kheng Fong MRICS RICS Registered Valuer
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This report has been reviewed, but not undertaken, by:

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Appendices

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Appendix 3 Title document
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Executive summary

This Executive summary is a brief overview of our Valuation Report and must not be relied upon in isolation. It is intended to be read in conjunction with the whole report and is subject to any assumptions, caveats and comments stated within the body of this report.



Address	DNA Star Vegas Resort & Club, Kbal Spean 1 Village, Poipet Commune, Poipet District, Banteay Meanchey Province, Cambodia (the "Property").
Location	The Property is located along an unnamed concrete road (a main arterial thoroughfare), off National Road 5, within Village of Kbal Spean 1, Commune of Poipet, District of Poipet, Province of Banteay Meanchey, Kingdom of Cambodia. It is less than 1 kilometre and approximately 1.5 kilometres to the north-east of the Kbal Spean Roundabout (now known as Preah Vishnu Roundabout) and Poipet Border Check Point (Cambodia-Thailand), respectively, by roads. Whilst the Serey Sophorn town centre of the Banteay Meanchey Province and Phnom Penh city centre are approximately 49 kilometres and 469 kilometres to the south-east of the Property, respectively, by roads.
Description	The Property comprises a parcel of land, irregular in shape and extending to a land area of 115,098 square metres (as per the title document provided by Donaco). It is generally flat in terrain and lies at about the same level with its frontage road. Erected thereon is a purpose-built hotel cum casino known as DNA Star Vegas Resort & Club. The main buildings erected thereon are double-storey and single-storey casino buildings, single-storey to four-storey hotel buildings, single-storey entertainment building, double-storey restaurant as well as other ancillary buildings to support the facilities and operation within the Property. As per our measurement of the as-built floor plans provided by Donaco, the total gross floor area (GFA) of the buildings is approximately 65,535 square metres. This valuation is undertaken on the General Assumptions detailed within this report.

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Areas	Land area: 115,098 square metres (as per the title document provided by Donaco). Gross built-up area: 65,535 square metres (including ancillary floor areas and extensions).
Tenure	Vide a copy of the Perpetual Lease Agreement dated 1 January 2024, the entire land has been leased to DNA Star Vegas Co., Ltd by Lee Hoe Property Co., Ltd for a term of 41.5 years commencing from 1 January 2024 and expiring on 30 June 2065. Upon expiry, the Lease shall be automatically renewed for an additional term of 50.0 years, thus having an unexpired term of about 90.3 years as at the Valuation Date.
Occupancy	The Property is currently operating as a hotel/casino resort under the name "DNA Star Vegas Resort & Club" as at the valuation date.
Valuation date	17 March 2025 (the "Valuation Date").
Information provided	We have reviewed the following information provided by Donaco. In our valuation, we made reference to the following information and assumed it to be materially correct in all aspects: • Certificate of Real Estate Ownership No. 01100201-2467; • Business Registration Certificate No. 00006147 • Land Perpetual Lease Agreement dated 1 January 2024; • As-built floor plans; • Tenancy agreements and schedule; • Historical Profit and Loss statements between Financial Years 2016 and 2024; • Forecasted projections between Financial Years 2025 and 2029; • Financial Reports between 2016 and 2024; • Casino License No. 17 dated 28 July 2022; • Commercial lease spaces rental agreements; • Historical hotel occupancy between Financial Years 2023 and 2024; • Hotel occupancy forecast between Financial Years 2025 and 2030; • Fixed asset list; and • Other relevant information of the Property.
Valuation basis	**Going Concern Basis:** For the purpose of this Valuation, we were specifically instructed by the Client to ascertain the Market Value of the Property on an "as is" basis as DNA Star Vegas Resort & Club, a casino cum hotel/resort with 39 table games, 532 slot machines and 199 hotel rooms being in use and operational as at the Valuation Date ("Going Concern Basis"). For Going Concern Basis, only 39 table games, 532 slot machines and 199 hotel rooms were in use and operational as at the Valuation Date whilst 383 rooms exist physically in the hotel as per as-built drawings and our physical site inspection but are either leased on en-bloc or not operational.

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	Vacant Possession Basis: For the purpose of this Valuation, we were specifically instructed by the Client to ascertain the Market Value of the Property on a "vacant possession" basis disregarding the existing operation and management, as a 383-room hotel with the contents, fixtures, fittings and other guest facilities fully available therein to the hotel guest. The Property is assumed to be operated by a new operator on a standard market management level as at the Valuation Date. In line with the "Vacant Possession" basis, it is further assumed that the casino is no longer in operation, and the space utilized for casino operations is available for alternative use or lease to third-party tenants with potential for additional rental income. The estimated values of the existing casino furniture, fixtures, and equipment are also reflected in our valuation ("Vacant Possession Basis").
Conclusion of Market value	**Going Concern Basis:** US$32,235,000 (United States Dollars Thirty Two Million Two Hundred Thirty Five Thousand) to US$33,525,000 (United States Dollars Thirty Three Million Five Hundred twenty Five Thousand) on an "as is" basis as DNA Star Vegas Resort & Club, a casino cum hotel/resort with 39 table games, 532 slot machines and 199 hotel rooms being in use and operational as at the Valuation Date. **Vacant Possession Basis:** US$16,310,000 (United States Dollars Sixteen Million Three Hundred Ten Thousand) to US$17,550,000 (United States Dollars Seventeen Million Five Hundred Fifty Thousand) on an "vacant possession" basis disregarding the existing operation and management, as a 383-room hotel with the contents, fixtures, fittings and other guest facilities fully available therein to the hotel guest.

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1. Terms of engagement

Introduction

1.1 This valuation report (the "Valuation") represents our assessment of Market Value of the Property. Set out below is the background, purpose, responsible valuers, work program, scope of work and other relevant information in relation to this Valuation.

Background

1.2 We have been instructed by BDO Corporate Finance Limited to prepare valuation reports for consideration in preparing an Independent Expert's Report (the "IER"). The IER forms part of the Scheme Booklet to be provided to the non-associated shareholders of Donaco International Limited (the "Non-Associated Shareholders'). The Scheme Booklet is to provide the Non-Associated Shareholders with the information they require to make an informed decision on a proposed transaction. This transaction is the proposed acquisition by On Nut Road Limited ('ONR') of all shares of Donaco International Limited that it does not already own by way of a scheme of arrangement (the "Proposed Transaction").

1.3 Our valuation reports are to provide our opinion on the Market Values of the following properties held by Donaco International Limited ("Donaco"): -

- The Aristo International Hotel, No.028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province, Vietnam;
- A 2,988 sqm land allotment situated on Dang Chau Street, Coc Leu Ward, Lao Cai City, Lao Cai Province, Vietnam; and
- DNA Star Vegas Resort & Club, Kbal Spean 1 Village, Poipet Commune, Poipet District, Banteay Meanchey Province, Cambodia.

Engagement of Knight Frank Petty Limited

1.4 This Valuation has been prepared in accordance with our Engagement Agreement dated 9 April 2025, our General Terms of Business for Valuation Services and the General Scope of Valuation Work (together the "Agreement").

1.5 The total fee of this engagement is HK$1,000,000 (Hong Kong Dollars One Million). The fee charged is generally relevant to the scope of work, timeframe, project team and other relevant factors of the engagement and is irrelevant to the result of this Valuation. Further details have been set out in the Agreement as attached at **Appendix 1**.

Client

1.6 We have been instructed by BDO Corporate Finance Limited (the "Client") to prepare the Valuation.

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Valuation standards

1.7 This valuation has been undertaken in accordance with the current editions of "The RICS Valuation – Global Standards" (the "Red Book") issued by the Royal Institution of Chartered Surveyors ("RICS"), which incorporate the International Valuation Standards (the "IVS"). As required by the above standards, some key matters relating to this instruction are set out below.

Status and Capability of Valuer

1.8 Knight Frank is a global leading independent property advisor which provides valuation services on all property asset types, including hotels, offices, shopping malls, residential properties, warehouses, development sites and specialised properties such as casinos. Valuation services are generally provided for the purposes of secured lending, financial reporting, acquisition, disposal, expert witness and internal decision making.

Valuer and Expertise

1.9 The valuer, on behalf of Knight Frank Petty Limited, with the responsibility for this report is Cyrus Fong FRICS FHKIS RICS Registered Valuer RPS (GP). Cyrus is a Fellow of RICS with over 15 years of experience in the real estate industry, undertaking valuation and advisory assignments for various types of properties in Hong Kong, Macau, China and Southeast Asia. Cyrus is qualified to provide a professional opinion on the Market Value of the Property.

1.10 Parts of this valuation have been undertaken by additional valuer of our sub-consultant, Knight Frank (Cambodia) Pte Ltd: -

- Law Kheng Fong MRICS RICS Registered Valuer, on behalf of Knight Frank (Cambodia) Pte Ltd, is a chartered surveyor and registered valuer of the RICS with over 15 years of experience undertaking valuations across a wide spectrum of asset types in Cambodia. Kheng Fong is qualified to provide a professional opinion on the Market Value of the Property.

1.11 Further qualifications and experience of the valuers of this Valuation are outlined in their curricula vitae ("CVs"), which are attached in **Appendix 2**.

1.12 We confirm that the valuer and additional valuer meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.13 We are appointed as your valuation advisers; our role is limited to providing property valuation services in accordance with the Red Book and the terms of this Agreement.

1.14 For the purposes of the Red Book / IVS, we are acting as External Independent Valuer.

1.15 This report has been internally reviewed as part of Knight Frank Petty Limited's quality assurance procedures.

Conflicts of Interest and Independence: Declaration and Disclosures

1.16 We, on behalf of Knight Frank Petty Limited and Knight Frank (Cambodia) Pte Ltd, confirm that we do not have any material connection or involvement with the Property or a party interested in it which would give rise to a conflict of interest and are providing an objective and unbiased valuation.

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Project Team

1.17 Our Valuation was prepared by Cyrus Fong FRICS FHKIS RICS Registered Valuer RPS (GP), Executive Director, Head of Valuation & Advisory, Greater China, supported by a team of consultants and sub-consultants (the "Project Team"). The Project Team has extensive experience in property valuation and advisory. Key functions of the Project Team in the preparation of this Valuation are set out as follows: -

Knight Frank Petty Limited

- **Cyrus Fong** FRICS FHKIS RICS Registered Valuer RPS (GP), Executive Director, Head of Valuation & Advisory, Greater China – acted as the lead valuer of this engagement.
- **Jennifer Ip** MRICS RICS Registered Valuer, Senior Director, Valuation & Advisory – acted as one of the key project coordinators to provide support to the Project Team.
- **Rochelle Lee** MRICS, Senior Manager, Valuation & Advisory – reviewed and analysed information provided by Donaco, prepared draft calculations and valuation report.
- **Alan Tsang**, Senior Valuer, Valuation & Advisory – conducted site inspection on 31 March 2025 and reviewed information provided by Donaco.

Knight Frank (Cambodia) Pte Ltd

- **Ross Wheble** MRICS RICS Registered Valuer, Country Head, Valuation & Advisory – reviewed the valuation report.
- **Law Kheng Fong** MRICS RICS Registered Valuer, Executive Director, Valuation & Advisory – conducted additional research, vetted the calculations and valuation report.
- **Long Sengkry,** Associate Director, Valuation & Advisory – undertook site inspection on 31 March 2025, conducted market research, prepared draft calculations and valuation report.
- **Lay Bunkri,** Executive, Valuation & Advisory – undertook site inspection on 31 March 2025, conducted market research, prepared draft calculations and valuation report.

Use of this Valuation

Purpose of valuation

1.18 This Valuation is provided for the purpose of the Proposed Transaction (the "Purpose") only and may not be used for any other purpose without our express written consent.

Reliance

1.19 This Valuation has been prepared for the Client, Donaco and the Non-Associated Shareholders only.

1.20 No other person is entitled to rely on the Valuation for any purpose. We accept no liability to anyone for any improper or unauthorised reliance on this Valuation.

Disclosure & Publication

1.21 The Valuation has been prepared for the Client, Donaco and the Non-Associated Shareholders and in accordance with the Agreement which governs its purpose and use. As stated in the Agreement, this Valuation is confidential and must not be disclosed to any person other than the Client, Donaco and the Non-Associated Shareholders without our express written consent. Nor may the whole nor any part of this valuation nor any reference thereto may be included in any prospectus, listing particulars, published document, circular or statement nor published in any way without our prior written approval of the form or context in which it may appear.

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1.22 Knight Frank Petty Limited understand that the whole or part of this Valuation will be attached as an appendix to the IER prepared by the Client and that the IER, inclusive of this Valuation or part of this Valuation, will form part of the Scheme Booklet to be provided to the Non-Associated Shareholders.

Limitations on liability

1.23 Knight Frank Petty Limited's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank Petty Limited accepts no liability for any indirect or consequential loss or for loss of profits.

1.24 We confirm that we hold adequate and appropriate Professional Indemnity Insurance cover for this instruction.

1.25 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank Petty Limited. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank Petty Limited.

1.26 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

Work Program

1.27 Our work was commenced in March 2025 and the work program is mainly summarized as follows: -

- Requested information from the Client and Donaco and clarified uncertain areas;
- Reviewed information provided by the Client and Donaco, including land title documents, relevant licenses, tenancy schedule and Profit and Loss statements;
- Conducted site inspection on 31 March 2025;
- Conducted market research and analysis regarding the local economy, hospitality market and relevant regulations; and
- Determined reasonable assumptions and parameters in our Valuation.

Scope of work

Scope of Work and Our Assumptions

1.28 The Agreement, which includes our General Scope of Valuation Work, set out the investigations we agreed to undertake, their limitations and any assumptions to be made as a result.

1.29 We have summarised below the key sources of information, investigations we have undertaken and any additional assumptions we have made.

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Matter	Scope of Work and Assumptions
Information Provided	We have reviewed the following information provided by you, your advisers or other third parties. In our valuation, we made reference to the following information and assumed it to be materially correct in all aspects: • Certificate of Real Estate Ownership No. 01100201-2467 ("Certificate of Real Estate Ownership"); • Business Registration Certificate No. 00006147 • Land Perpetual Lease Agreement dated 1 January 2024 ("Perpetual Lease Agreement"); • As-built floor plans; • Tenancy agreements and schedule; • Historical Profit and Loss statements between Financial Years 2016 and 2024; • Forecasted projections between Financial Years 2025 and 2029; • Financial Reports between 2016 and 2024; • Casino License No. 17 dated 28 July 2022; • Commercial lease spaces rental agreements; • Historical hotel occupancy between Financial Years 2023 and 2024; • Hotel occupancy forecast between Financial Years 2025 and 2030; • Fixed asset list; and • Other relevant information of the Property.
Inspections	We were instructed to carry out an internal and external inspection of the Property. Our inspection of the Property was undertaken on 31 March 2025. We have assumed that there are no matters not revealed to us which would impact on our opinion of value. Whilst on-site we did not inspect any inaccessible areas. We have not investigated the site boundaries and assume there are no matters affecting value arising from this. For the purpose of this valuation, we have assumed the physical condition and state of repair and maintenance of the Property on the Valuation Date is in similar condition as of the date of inspection.
Measurements	We have undertaken a scaled-off measurement of the as-built floor plans provided by Donaco in accordance with RICS Property Measurement Professional Standard. The site area has been obtained from the Certificate of Real Estate Ownership provided by Donaco. We have not undertaken on-site measurement and have assumed that the as-built floor plans available to us are up to date and final. In addition, we have not undertaken any condition survey of the Property. We assumed that there is no material building and/or condition defects of the Property.

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Matter	Scope of Work and Assumptions
Services	No tests have been undertaken on the property services and we have assumed that mains gas, water, electricity, drainage and telecommunications are all available at the Property.
Planning	Planning information has been obtained from Department of Land Management, Urban Planning, Construction and Cadastral in Banteay Meanchey.
Searches	We have obtained Certificate of Real Estate Ownership from the Donaco. We have assumed that the Property has good and proper title and was freely transferable in the market as at the Valuation Date and its title is being free from any material encumbrances and defects. We are not in a position to verify the title ownership or to check whether there is any title defect. We have not undertaken any company or client background search. We assumed that the registered owner is the legal and beneficial owner of the Property. The registered owner is entitled to occupy, lease, transfer and mortgage the Property without any restrictions.
Extreme Weather Events	We have not investigated the risk of extreme weather events at the Property and have assumed that the risk of damage at the Property is low. Where you have informed us otherwise, or we are aware of a risk or history of damage resulting from extreme weather events, we have stated this below and reflected the risk within our valuation.
Contamination	You have not provided us with specialist environmental reports, and we have assumed that the Property is unaffected by contamination issues.
Tenure	We have obtained the Perpetual Lease Agreement from the Donaco regarding the tenure of the Property. We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct. Any matters come to light must be referred to us, as they may have an important bearing upon the value reported.
Tenancies	We have relied on a tenancy schedule provided by Donaco and no further verification has been undertaken. We assumed that all information contained in the tenancy schedule handed to us is accurate and without omission. We have further assumed that the tenancy agreements of the Property are on normal commercial terms and are still valid and enforceable.
ESG and Energy Performance	Our valuation does not include an assessment of sustainability and environmental matters, based on our inspection.
Capital Expenditure	We have assumed that there are no upgrades or repairs required unless you have specifically informed us of these.
General Assumptions	We have made the following assumptions: **Going Concern Basis**

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Matter	Scope of Work and Assumptions
	• For the purpose of this Valuation, we were specifically instructed by the Client to ascertain the Market Value of the Property on an "As Is" basis as DNA Star Vegas Resort & Club, a casino cum hotel/resort with 39 table games, 532 slot machines and 199 hotel rooms being in use and operational as at the Valuation Date. • Under Going Concern Basis, only 39 table games, 532 slot machines and 199 hotel rooms were in use and operational as at the Valuation Date whilst 383 hotel rooms exist physically as per as-built drawings and our physical site inspection but are either leased on en-bloc or not operational; • We have valued the Property on the assumption that the licenses for hotel and casino operations were valid and continued as at the Valuation Date, and will continue to be operated under the current brand name. **Vacant Possession Basis** • For the purpose of this Valuation, we were specifically instructed by the Client to ascertain the Market Value of the Property on a "Vacant Possession" basis disregarding the existing operation and management, as a 383-room hotel with the contents, fixtures, fittings and other guest facilities fully available therein to the hotel guest. • We have valued the Property on the assumption that the hotel is to be operated by a new operator on a standard market management level as at the Valuation Date. In line with the "Vacant Possession" basis, it is further assumed that the casino is no longer in operation, and the space utilized for casino operations is available for alternative use or lease to third-party tenants with potential for additional rental income. The estimated values of the existing casino furniture, fixtures, and equipment ("Casino FF&E") are also reflected in our valuation. • The valuation is based on the market evidence available in the market. Nevertheless, the actual transaction price of the Property is subject to the market condition and may deviate from the valuation.

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2. The Property

2.1 The Property we have valued, including the inspection details, is as follows:

Property address	Inspected by	Inspection date
DNA Star Vegas Resort & Club, Kbal Spean 1 Village, Poipet Commune, Poipet District, Banteay Meanchey Province, Cambodia	Long Sengkry, Lay Bunkri & Alan Tsang under the supervision of Cyrus Fong FRICS FHKIS RICS Registered Valuer RPS (GP)	31 March 2025

Location

2.2 The Property is located along an unnamed concrete road (a main arterial thoroughfare), off National Road 5, within Village of Kbal Spean 1, Commune of Poipet, District of Poipet, Province of Banteay Meanchey, Kingdom of Cambodia. It is less than 1 kilometre and approximately 1.5 kilometres to the north-east of the Kbal Spean Roundabout (now known as Preah Vishnu Roundabout) and Poipet Border Check Point (Cambodia-Thailand), respectively, by roads. Whilst the Serey Sophorn town centre of the Banteay Meanchey Province and Phnom Penh city centre are approximately 49 kilometres and 469 kilometres to the south-east of the Property, respectively, by roads.

2.3 The Property is currently operated as a casino resort with the name “DNA Star Vegas Resort & Club”. Other prominent hotels and casinos located within the immediate vicinity of the Property comprise Holiday Palace Casino & Resort, Galaxy Casino, Crown Casino, Tropicana Resort & Casino, Sand Palace Hotel & Casino, Diamond City Casino & Hotel, to name a few.

2.4 The Property is located within the immediate vicinity comprise serviced apartments, hotels, condominiums, single to four-storey shophouses, flat houses, semi-detached houses, detached houses, detached office buildings, commercial complexes, purpose-built hotels cum casinos, guesthouses, petrol stations, hypermarkets, entertainment outlets, restaurants and on-going mixed developments.

2.5 Notable landmarks within the area include Big C hypermarket, Poipet Night Market, 7-Eleven Season Mall (Poipet), Poipet Cambodia Immigration (Departures & Arrival), Poipet Health Centre, Poipet Railway Station, Palilay Pagoda, Poipet New Market and Poipet City Hall Office, to name a few.

2.6 Siem Reap Angkor International Airport (SAI) is a 4-hour drive and offers direct flights from Thailand, Laos, Vietnam, Singapore, Malaysia and China.

2.7 We comment on the local hotel market and key demand generators in the Market Analysis Section of this report.

Maps

2.8 The following maps detail the location of the hotel and our understanding of its borders.

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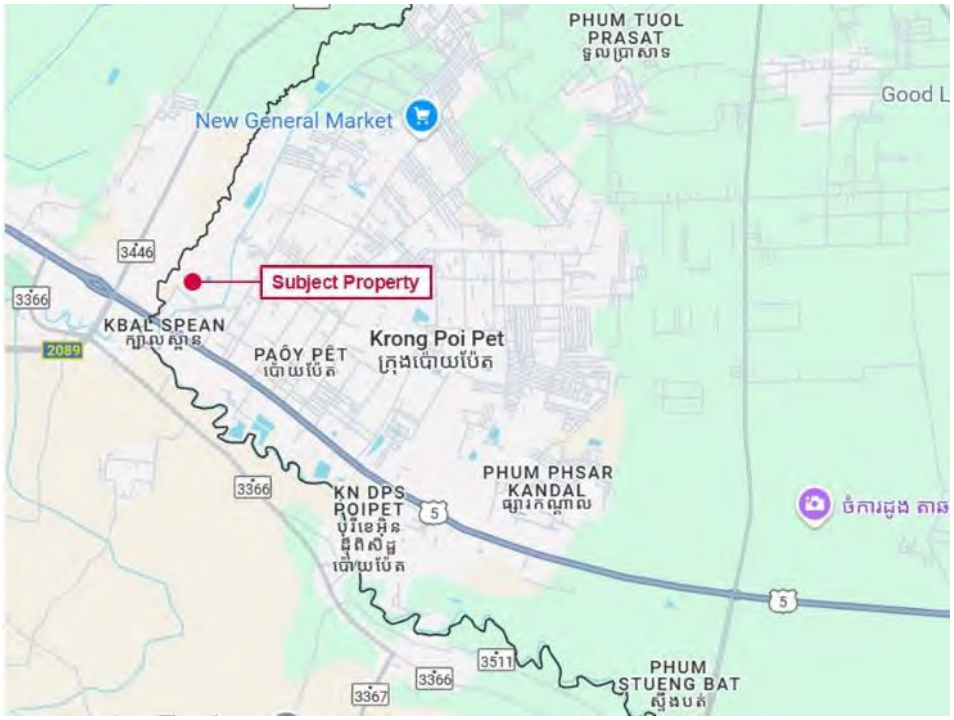

Location plan (not to scale - for identification purposes only)
Source: Map data © 2025 Google

Site

Site Area

2.9 The Property comprises a parcel of land, irregular in shape and extending to a land area of 115,098 square metres (as per the title document provided by Donaco).

Frontage and topography

2.10 The site is flat in terrain and lies at about the same level with its frontage road.

2.11 The Property is an intermediate plot with a single frontage; a main road frontage (north-west boundary) of approximately 293 metres onto an unnamed concrete road (a main arterial thoroughfare) whilst all other boundaries abut onto neighbouring plots.

2.12 Generally, the site perimeters are demarcated by either plastered brick walls, partly metal deck hoardings or not demarcated with any forms of fencings whilst the main entrance is not secured with any forms of gates.

Site plan

2.13 The image overleaf shows our understanding of the extent of the site.

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Property Facilities

Summary

2.14 The following table summarises our understanding of the hotel rooms, food & beverage and facilities:

Table 1: Hotel rooms

Building	Rooms	Number	Average Size (m²)
Star Venus Hotel (Building 8) -		43	24
leased en-bloc		3	72
Star Venus Hotel (Building 9) -		18	16
leased en-bloc		7	32
Hotel 100	Superior Tab-Tim	96	29
		4	58
Hotel 99		45	36
		43	43
	Super Deluxe Yoke Room	11	86
Hotel 113 - not operational		113	24
Total/Average		**383**	**31**

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Table 2: Food & Beverage

Food and Beverage Outlets	Storey	Approx. Size (m²)
Aroms Restaurant - operated by tenant	2	895
Casino 1 VIP Restaurant - not operational	1	144
Casino 2 Chinese Restaurant - not operational	1	585
Casino 3 Restaurant - not operational	1	743
Total		**1,624**

Table 3: Hotel Facilities

Hotel Facilities	Comments
Casino	On-site casino with gaming tables and slot machines offering various variety of games.
Gymnasium (fitness centre) - not operational	Located between the swimming pool and Hotel 113. Approximately 1,390 square metres (gross). Fair conditioned with minimal equipment.
Spa - not operational	Formerly operated as "Heaven of Massage". Comprises private treatment rooms, public area and male & female bathrooms/water closets.
Swimming Pool - not operational	An outdoor pool located directly behind Hotel 99. It comes with a water fountain, sundeck and a pool bar.
Other	Public dining areas in casinos, hair salon, laundry, etc

Table 4: Casino Facilities

Casino Facilities	2023	2024	Change
No of VIP Tables	6	6	0%
No of Mass tables	33	33	0%
No of Slot machines	530	532	0.4%

Source: As per information provided by Donaco and observation during our physical site inspection

Description

2.15 Erected thereon is a purpose-built hotel cum casino known as DNA Star Vegas Resort & Club. The main buildings erected thereon are double-storey and single-storey casino buildings, single-storey to four-storey hotel buildings, single-storey entertainment building, double-storey restaurant as well as other ancillary buildings to support the facilities and operation within the Property. As per our measurement of the as-built floor plans provided by Donaco, the total gross floor area (GFA) of the buildings is approximately 65,535 square metres

2.16 A brief description of the abovementioned buildings erected thereon are as follows:-

1) A double-storey casino (Casino 1)

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The double-storey casino (Casino 1) is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with metal deck roofing sheets.

Internally, its floorings are generally finished with either cement rendered, marble tiles, wall-to-wall carpet, vinyl flooring or ceramic tiles whilst its ceilings are finished with either suspended ceiling board or plaster board ceilings incorporated with downlights. Vertical access between floors are via three reinforced concrete staircases.

The building is generally in a good state of repair commensurate with its age and use. Accommodations provided within are as follow:-

Floor	Accommodation
Basement	Two store rooms, a store area, two AHU rooms, and a UPS room.
Ground floor	A driveway, a casino lobby, a reception, a hotel lobby, a coffee corner, a VIP 1 casino room attached with male/female water closets (WCs) and a store room, casino area, a VIP restaurant, three male/female water closets (WCs), two store rooms, a casino shift manager office, four AHU rooms, a chip counter, a cashier room, the galaxy bar, a server room, a wet kitchen, a food court, a dining area, a VIP 999 casino attached with a store room and male/female water closets (WCs), a CGMC office, a duty free area, two office rooms, an electric room, an internet room, a message shop.
First floor	A corridor, three VIP casino rooms, a living area, a snooker area, an office, two CCTV rooms, a server room, a pray room attached with a water closet (WC), two store rooms and three water closets (WCs).

It has a gross floor area of approximately 17,345 square metres.

During the course of our inspection, we noted the following extensions behind the double-storey casino (Casino 1):-

- A double-storey workshop/electric room;
- An open-sided lean-to;
- A single-storey store room.

The double-storey workshop/electric room is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally. Internally, its floorings are generally finished with cement rendered whilst its ceilings are finished with cement plastered. The double-storey workshop/electric room provides additional gross floor area of approximately 240 square metres.

The open-sided roof extensions are constructed at the rear of the double-storey casino to provide additional store area. It is generally constructed of open-sided steel frame constructions and steel roof trusses covered with metal deck roofing sheets. Its floorings are generally finished with cement rendered whilst its ceilings are not finished with any false ceilings. It has a gross floor area of approximately 144 square metres.

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The enclosed extensions are generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with metal deck roofing sheets. Internally, its floorings are generally finished with ceramic tiles whilst its ceilings are finished with suspended ceiling boards. Accommodations provided within is store area. It has a gross floor area of approximately 81 square metres.



View of the double-storey casino (Casino 1)



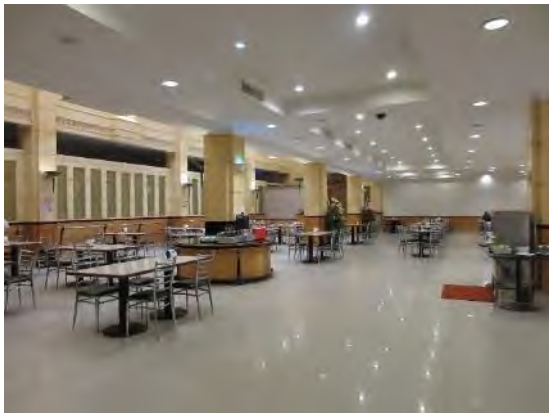
View of the double-storey casino (Casino 1)



Internal view of the double-storey casino (Ground floor)



Internal view of the double-storey casino (Ground floor)



Internal view of the double-storey casino (Ground floor)



Internal view of the double-storey casino (Ground floor)

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Internal view of the double-storey casino (First floor)



Internal view of the double-storey casino (Basement)

2) A double-storey casino (Casino 2)

The double-storey casino (Casino 2) is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with metal deck roofing sheets.

Internally, its floorings are generally finished with either cement rendered, wall-to-wall carpet or ceramic tiles whilst its ceilings are finished with either suspended ceiling boards or ceiling board incorporated with downlights. Vertical access between floors are via three reinforced concrete staircases.

The building is generally in a good state of repair commensurate with its age and use. Accommodations provided within are as follow: -

Floor	Accommodation
Ground floor	A Chinese restaurant attached with a male/female water closet (WCs), a wet kitchen, a dining hall, a casino area, three VIP dining rooms, a wet kitchen attached with a storeroom, a walkway, four office rooms, five male/female water closets (WCs) and a storeroom.
First floor	A corridor, four VIP casino rooms, 8 office rooms, and male/female water closets (WCs).

It has a gross floor area of approximately 5,198 square metres.

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View of the double-storey casino (Casino 2)



View of the double-storey casino (Casino 2)



Internal view of the double-storey casino (Casino 2)



Internal view of the double-storey casino (Casino 2)



Internal view of the double-storey casino (Casino 2)



Internal view of the double-storey casino (Casino 2)

3) A single-storey casino (Casino 3)

The single-storey casino (Casino 3) is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with metal deck roofing sheets.

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Internally, its floorings are generally finished with either wall-to-wall carpet or ceramic tiles whilst its ceilings are finished with ceiling board incorporated with downlights. Accommodations provided within are a driveway, a premium hall attached with a cashier area, a casino area, a slot office, a lottery draw, a VIP room, a cashier, four male/female water closets (WCs), a live casino, a restaurant, a music stage, a casino card sorting, a VIP casino hall, an F&B office, six store rooms, a wet kitchen and a VIP dining area. It has a gross floor area of approximately 9,978 square metres.



View of the single-storey casino (Casino 3)



View of the single-storey casino (Casino 3)



Internal view of the single-storey casino (Casino 3)



Internal view of the single-storey casino (Casino 3)

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Internal view of the single-storey casino (Casino 3)



Internal view of the single-storey casino (Casino 3)

4) A single-storey entertainment building (Star City)

The single-storey entertainment building (Star City) is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with metal deck roofing sheets.

Internally, its floorings are generally finished with ceramic tiles whilst its ceilings are finished with either cement plastered or ceiling board incorporated with downlights. Accommodations provided within are a waiting area, a club room attached with a storeroom and male/female water closets (WCs), an office room, and eight entertainment rooms each attached with a male/female water closet (WC). It has a gross floor area of approximately 1,000 square metres.



View of the single-storey entertainment building (Star City)



Internal view of the single-storey entertainment building (Star City)

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Internal view of the single-storey entertainment building (Star City)



Internal view of the single-storey entertainment building (Star City)

5) A double-storey hotel (Star Venus)

The double-storey hotel (Star Venus) is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with metal deck roofing sheets.

Internally, its floorings are generally finished with either wall-to-wall carpet or ceramic tiles whilst its ceilings are finished with ceiling board incorporated with downlights. Vertical access between floors are via a reinforced concrete staircase.

The building is generally in a good state of repair commensurate with its age and use. Accommodations provided within are as follow: -

Floor	Accommodation
Ground floor	A hotel lobby, a heaven massage, a kitchen, an entertainment room, a corridor, 22 hotel rooms each attached with a male/female water closet (WC).
First floor	A corridor, 24 hotel rooms each attached with a male/female water closet (WC).

It has a gross floor area of approximately 3,491 square metres.

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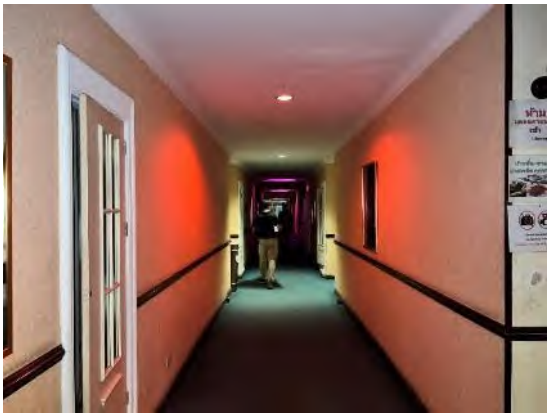
View of the double-storey hotel (Star Venus)



View of the double-storey hotel (Star Venus)



Internal view of the double-storey hotel (Star Venus)



Internal view of the double-storey hotel (Star Venus)

6) A double-storey hotel (Hotel 100)

The double-storey hotel (Hotel 100) is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with interlocking roofing tiles.

Internally, its floorings are generally finished with either wall-to-wall carpet, vinyl flooring or ceramic tiles whilst its ceilings are finished with ceiling board incorporated with downlights. Vertical access between floors are via two reinforced concrete staircases.

The building is generally in a good state of repair commensurate with its age and use. Accommodations provided within are as follow: -

Floor	Accommodation
Ground floor	A hotel lobby, a corridor, two storerooms, a male/female water closets (WC), 52 hotel rooms each attached with a male/female water closet (WC).
First floor	A corridor, a storeroom, 48 hotel rooms each attached with a male/female water closet (WC).

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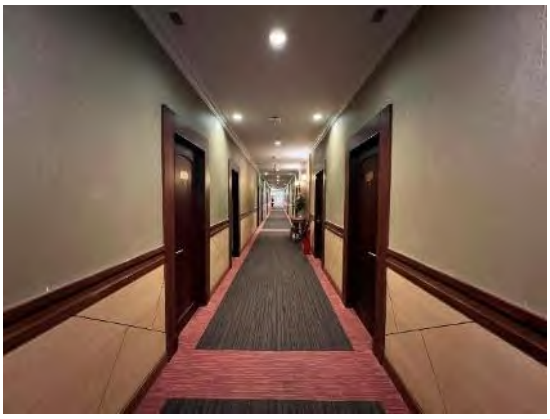
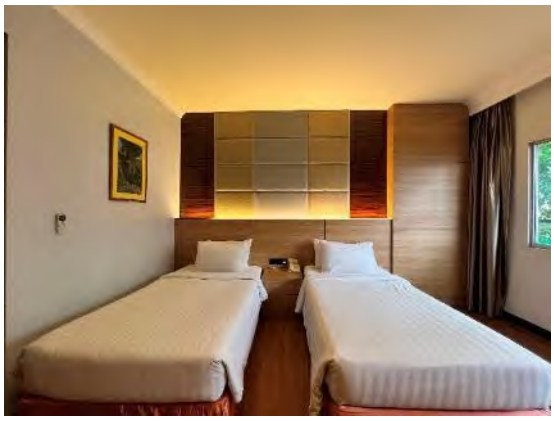
It has a gross floor area of approximately 4,629 square metres.



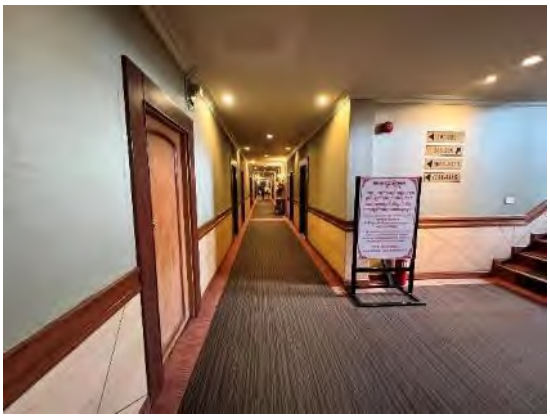
View of the double-storey hotel (Hotel 100)



Internal view of the double-storey hotel (Hotel 100)



Internal view of the double-storey hotel (Hotel 100)



Internal view of the double-storey hotel (Hotel 100)

7) A four-storey hotel (Hotel 99)

The four-storey hotel (Hotel 99) is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with interlocking roofing tiles.

Internally, its floorings are generally finished with either wall-to-wall carpet, vinyl flooring or ceramic tiles whilst its ceilings are finished with ceiling board incorporated with downlights. Vertical access between floors are via a reinforced concrete staircase and a lift.

The building is generally in a good state of repair commensurate with its age and use. Accommodations provided within are as follow: -

Floor	Accommodation
Ground floor	A hotel lobby, a lift lobby, a corridor, an electric room, a male/female water closets (WC), 29 hotel rooms each attached with a male/female water closet (WC).

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Floor	Accommodation
First floor	A corridor, a lift lobby, an electric room, a male/female water closets (WC), 27 hotel rooms each attached with a male/female water closet (WC).
Second floor	A corridor, a lift lobby, an electric room, a male/female water closets (WC), 27 hotel rooms each attached with a male/female water closet (WC).
Third floor	A corridor, a lift lobby, an electric room, a male/female water closets (WC), 16 hotel rooms each attached with a male/female water closet (WC).

It has a gross floor area of approximately 7,140 square metres.



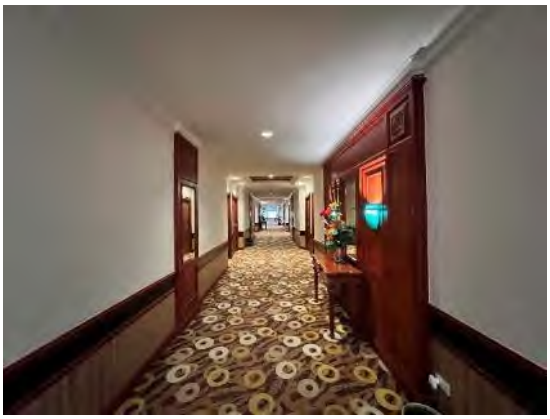
View of the four-storey hotel (Hotel 99)



View of the four-storey hotel (Hotel 99)



Internal view of the four-storey hotel (Hotel 99)



Internal view of the four-storey hotel (Hotel 99)

8) A single-storey gymnasium

The single-storey gymnasium is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with interlocking roofing tiles.

Internally, its floorings are generally finished with either slate tiles or ceramic tiles whilst its ceilings are finished with ceiling board incorporated with downlights. Accommodations provided within are

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four gymnasium rooms, a coffee area, three male/female water closets (WCs). It has a gross floor area of approximately 1,390 square metres.



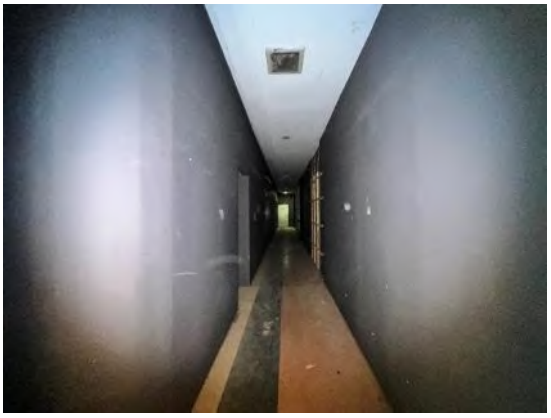
View of the single-storey gymnasium



Internal view of the single-storey gymnasium



Internal view of the single-storey gymnasium



Internal view of the single-storey gymnasium

9) A single-storey hotel (Hotel 113)

The single-storey hotel (Hotel 113) is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with interlocking roofing tiles.

Internally, its floorings are generally finished with either terracotta tiles, vinyl flooring or ceramic tiles whilst its ceilings are finished with ceiling board incorporated with downlights. Accommodations provided within are four storerooms, a corridor and 113 hotel rooms each attached with a water closet (WC). It has a gross floor area of approximately 3,565 square metres.

During our inspection, we noted an open-sided passageway between the single-storey hotel (Hotel 113) and the single-storey gymnasium. It is generally constructed of open-sided reinforced concrete frame constructions and covered with interlocking roofing tiles. Its floorings are generally finished with cement rendered whilst its ceilings are finished with plaster board ceilings. It has a gross floor area of approximately 212 square metres.

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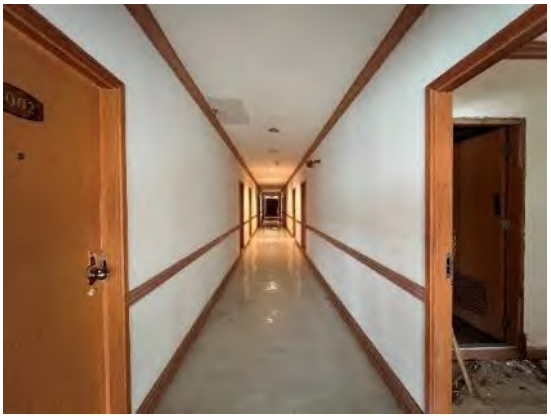
View of the single-storey hotel (Hotel 113)



Internal view of the single-storey hotel (Hotel 113)



Internal view of the single-storey hotel (Hotel 113)



Internal view of the single-storey hotel (Hotel 113)

10) Two single-storey residence (Staff Accommodation)

The two single-storey residence is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with corrugated sheets.

Internally, its floorings are generally finished with cement rendered whilst its ceilings are finished with suspended ceiling board. Accommodations provided within are 40 staff rooms each attached with a water closet (WC). It has a gross floor area of approximately 1,022 square metres.

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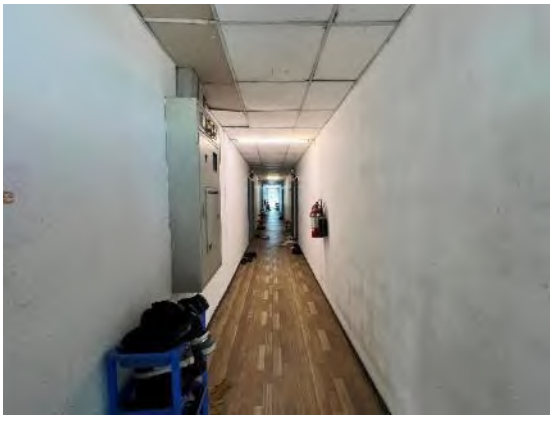
View of the two single-storey residence



View of the two single-storey residence



Internal view of the single-storey residence



Internal view of the single-storey residence

11) A single-storey detached house (Waterfront Bungalow)

Our inspection for this building was limited by the external inspection conducted. We were unable to conduct an internal inspection of the building as it was inaccessible. As such and in accordance with your instructions, we have valued the Property based on an external inspection as well as details and information provided to us.

We have also assumed that the Property is in a reasonable state of decorative repair and that internally; it has not been upgraded or downgraded. Hence, our opinion of the Market Value should therefore be read in the context that a detailed internal inspection has not been conducted.

The single-storey detached house is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with interlocking roofing tiles. It has a gross floor area of approximately 238 square metres.

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View of the single-storey detached house



View of the single-storey detached house



View of the single-storey detached house



View of the single-storey detached house

12) A single-storey warehouse 1

Our inspection for this building was limited by the external inspection conducted. We were unable to conduct an internal inspection of the building as it was inaccessible. As such and in accordance with your instructions, we have valued the Property based on an external inspection as well as details and information provided to us.

We have also assumed that the Property is in a reasonable state of decorative repair and that internally; it has not been upgraded or downgraded. Hence, our opinion of the Market Value should therefore be read in the context that a detailed internal inspection has not been conducted.

The single-storey warehouse 1 is generally constructed of steel frame construction with brick infills, rendered externally and plastered internally and covered with metal deck roofing sheets.

Internally, its floorings are generally finished with cement rendered whilst its ceilings are finished with suspended ceiling board. Accommodations provided within are store area, DNA duty free store room and duty free office. It has a gross floor area of approximately 199 square metres.

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View of the single-storey warehouse 1



View of the single-storey warehouse 1



Internal view of the single-storey warehouse 1



Internal view of the single-storey warehouse 1

13) A single-storey warehouse 2

The single-storey warehouse 2 is generally constructed of steel frame construction with partly metal cladding, partly gypsum board and covered with metal deck roofing sheets.

Internally, its floorings are generally finished with cement rendered whilst its ceilings are not finished with any false ceilings. Accommodations provided within are two storerooms and an open-sided store are. It has a gross floor area of approximately 475 square metres.

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View of the single-storey warehouse 2



View of the single-storey warehouse 2



Internal view of the single-storey warehouse 2



Internal view of the single-storey warehouse 2

14) A single-storey office (back-of-house)

The single-storey office is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with interlocking roofing tiles.

Internally, its floorings are generally finished with ceramic tiles whilst its ceilings are finished with suspended ceiling board incorporated with downlights. Accommodations provided within are a general office, a slot operation office, HR department, IT office, a training room, two meeting rooms, three locker rooms, two project maintenance offices, four storerooms, two male/female water closets (WCs) and a first aid room. It has a gross floor area of approximately 1,360 square metres.

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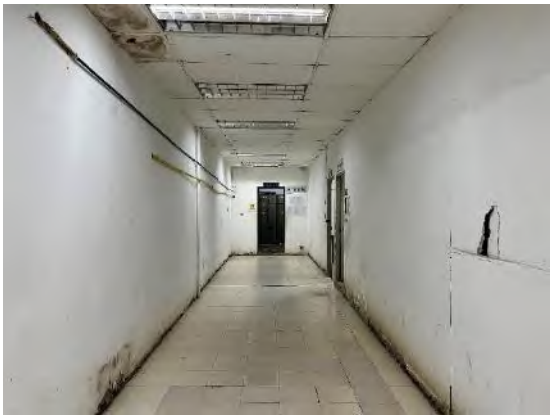
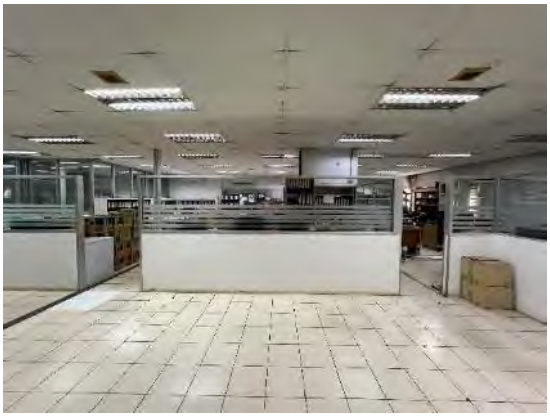
View of the single-storey office



Internal view of the single-storey office



Internal view of the single-storey office



Internal view of the single-storey office

15) A single-storey laundry building

The single-storey laundry building is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with corrugated sheets.

Internally, its floorings are generally finished with ceramic tiles whilst its ceilings are finished with either suspended ceiling board or not finished with any false ceilings. Accommodations provided within are sewing room, ironing area and laundry area. It has a gross floor area of approximately 433 square metres.

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View of the single-storey laundry building



Internal view of the single-storey laundry building



Internal view of the single-storey laundry building



Internal view of the single-storey laundry building

16) A single-storey male/female water closets (WCs)

The single-storey male/female water closets (WCs) is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with corrugated sheets.

Internally, its floorings are generally finished with ceramic tiles whilst its ceilings are not finished with any false ceilings. It has a gross floor area of approximately 96 square metres.

For personal use only



View of the single-storey male/female water closets (WCs)

17) A single-storey canteen

The single-storey canteen is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with either corrugated sheets or metal deck roofing sheets.

Internally, its floorings are generally finished with either cement rendered or ceramic tiles whilst its ceilings are finished with either suspended ceiling board incorporated with downlights or not finished with any false ceilings. Accommodations provided within are a dining area, a store room and a pump room. It has a gross floor area of approximately 130 square metres.



View of the single-storey canteen



Internal view of the single-storey canteen

18) A single-storey water chiller building

Our inspection for this building was limited by the external inspection conducted. We were unable to conduct an internal inspection of the building as it was inaccessible. As such and in accordance with your instructions, we have valued the Property based on an external inspection as well as details and information provided to us.

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We have also assumed that the Property is in a reasonable state of decorative repair and that internally; it has not been upgraded or downgraded. Hence, our opinion of the Market Value should therefore be read in the context that a detailed internal inspection has not been conducted.

The single-storey water chiller building is generally constructed of steel frame construction with metal deck cladding and covered with metal deck roofing sheets. It has a gross floor area of approximately 550 square metres.



View of the single-storey water chiller building



View of the single-storey water chiller building

19) A single-storey water chiller control building

The single-storey water chiller control building is generally constructed of reinforced concrete frame construction with metal deck cladding and covered with metal deck roofing sheets.

Internally, its floorings are generally finished with cement rendered whilst its ceilings are finished with suspended ceiling board. It has a gross floor area of approximately 135 square metres.



View of the single-storey water chiller control building



Internal view of the single-storey water chiller control building

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20) A single-storey game center (Star Arcade)

The single-storey game center is generally constructed of steel frame construction with partly metal cladding, partly gypsum board and covered with metal deck roofing sheets.

Internally, its floorings are generally finished with either cement rendered or ceramic tiles whilst its ceilings are finished with plaster board ceilings incorporated with downlights. Accommodations provided within are game area, snooker area, gymnasium area and male/female water closets (WCs). It has a gross floor area of approximately 924 square metres.



View of the single-storey game center (Star Arcade)



View of the single-storey game center (Star Arcade)

21) A single-storey power plant building

Our inspection for this building was limited by the external inspection conducted. We were unable to conduct an internal inspection of the building as it was inaccessible. As such and in accordance with your instructions, we have valued the Property based on an external inspection as well as details and information provided to us.

We have also assumed that the Property is in a reasonable state of decorative repair and that internally; it has not been upgraded or downgraded. Hence, our opinion of the Market Value should therefore be read in the context that a detailed internal inspection has not been conducted.

The single-storey power plant building is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with metal deck roofing sheets. It has a gross floor area of approximately 920 square metres.

For personal use only



View of the single-storey power plant building



View of the single-storey power plant building

22) A single-storey warehouse 3

Our inspection for this building was limited by the external inspection conducted. We were unable to conduct an internal inspection of the building as it was inaccessible. As such and in accordance with your instructions, we have valued the Property based on an external inspection as well as details and information provided to us.

We have also assumed that the Property is in a reasonable state of decorative repair and that internally; it has not been upgraded or downgraded. Hence, our opinion of the Market Value should therefore be read in the context that a detailed internal inspection has not been conducted.

The single-storey warehouse 3 is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with metal deck roofing sheets. It has a gross floor area of approximately 2,408 square metres.



View of the single-storey warehouse 3



View of the single-storey warehouse 3

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23) An elevated detached office

The elevated detached office is generally constructed of reinforced concrete frame construction with brick infills, rendered externally and plastered internally and covered with interlocking roofing tiles.

Internally, its floorings are generally finished with either laminated timber boards or ceramic tiles whilst its ceilings are finished with laminated timber boards. Accommodations provided within are a meeting area and a water closet (WC). It has a gross floor area of approximately 42 square metres.



View of the elevated detached office



Internal view of the elevated detached office

24) A swimming pool

The swimming pool is generally constructed of reinforced concrete frame construction with brick infills. It comes with a water fountain.

Its floorings are generally finished with stone tiles with its edging finished with concrete. It has a gross floor area of approximately 1,100 square metres.



View of the swimming pool



View of the swimming pool

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25) An open-sided car park

The open-sided car park is generally of open-sided steel frame constructions and steel roof trusses covered with either metal deck roofing sheets or net roofing.

Its floorings are generally finished with cement rendered whilst its ceilings not finished with any false ceilings. It has a total gross floor area of approximately 195 square metres.



View of the open-sided car park



View of the open-sided car park

26) A double-storey restaurant

The double-storey restaurant is generally constructed of reinforced concrete frame construction with partly curtain glass walling, partly brick infills, rendered externally and plastered internally and covered with metal deck roofing sheets.

Internally, its floorings are generally finished with marble tiles whilst its ceilings are finished with ceiling board incorporated with downlights. Vertical access between floors are via two lifts.

The building is generally in a good state of repair commensurate with its age and use. Accommodations provided within are as follow: -

Floor	Accommodation
Ground floor	A restaurant area, bar counter, arom stage, a lift lobby and male/female water closets (WCs).
Mezzanine	A restaurant area, cashier counter, a lift lobby and male/female water closets (WCs).
First floor	An office area.

It has a gross floor area of approximately 895 square metres.

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View of the double-storey restaurant



View of the double-storey restaurant



Internal view of the double-storey restaurant



Internal view of the double-storey restaurant

Hotel rooms and building services

Hotel Rooms Configuration / Description / Room Tariff

2.17 We have inspected a sample of rooms tabulated below: -

Hotel buildings	Rooms Inspected
Star Venus Hotel	Room 8123
Hotel 100	Rooms 104, 117, 131, 138 & 243
Hotel 99	Rooms 4129, 4205, 4307, 4404 & 4411
Hotel 113	Rooms 3083, 3072 & 3113

2.18 We have assumed that these are similar to the remaining rooms not inspected.

2.19 During our inspection, the hotel accommodates 383 rooms briefly described as follows:-

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Hotel buildings	Brief description
Star Venus Hotel	• 71 rooms • About 24 sq m (43 rooms) • About 72 sq m (3 rooms) • About 16 sq m (18 rooms) • About 32 sq m (7 rooms) • Current this hotel building is not operated. • Accommodates an entry terrace, open plan sleeping cum living quarters with king sized bed configuration, a bathroom/water closet (WC) • Floorings of ceramic tiles and wall-to-wall carpet • Ceilings of plaster board ceilings incorporated with downlights
Hotel 100	• 100 rooms • About 29 sq m (96 rooms) • About 58 sq m (4 rooms) • Current room rate US$35 per night (including VAT, accommodation tax, public lighting tax and service charge) • Accommodates an entry terrace, open plan sleeping cum living quarters with either twin bed or double bed configuration, a bathroom/water closet (WC), a pantry and a balcony • Floorings of either wall-to-wall carpet or vinyl plank and ceramic tiles • Ceilings of either plaster board ceilings incorporated with downlights or laminated timber boards
Hotel 99	• 99 rooms • About 36 sq m (45 rooms) • About 43 sq m (43 rooms) • About 86 sq m (11 rooms) • Current room rate US$81 per night (including VAT, accommodation tax, public lighting tax and service charge) • Accommodates an entry terrace, open plan sleeping cum living quarters with either twin bed or double bed configuration, a bathroom/water closet (WC), a pantry and a balcony • Floorings of either ceramic tiles or marble titles and vinyl plank • Ceilings of plaster board ceilings incorporated with downlights
Hotel 113	• 113 rooms • About 24 sq m (up to 2 guests) • Current this hotel building is not operated. • Accommodates an entry terrace, a living area, a bedroom with king sized bed or twin bed configuration, a bathroom/water closet (WC), a bathtub, a pantry and a big balcony • Floorings of cement rendered • Ceilings of plaster board ceilings incorporated with downlights

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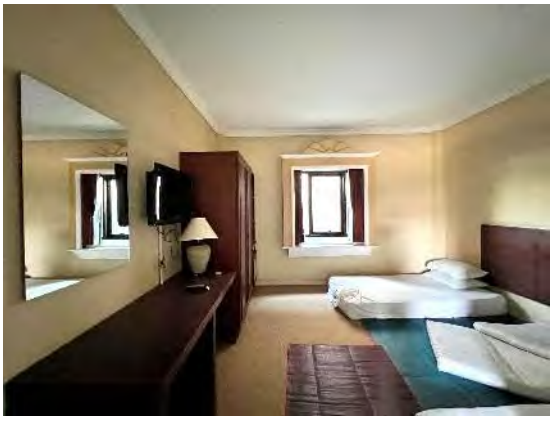


Star Venus Hotel (Room 8123)



Star Venus Hotel (Room 8123)



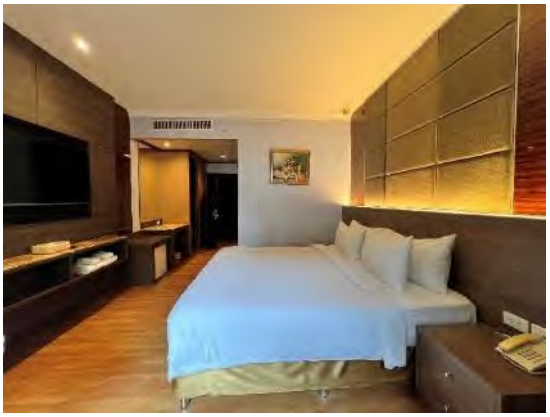
Hotel 100 (Room 104)



Hotel 100 (Room 117)



Hotel 100 (Room 131)



Hotel 100 (Room 138)

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Hotel 100 (Room 243)



Hotel 100 (Room 243)



Hotel 99 (Room 4129)



Hotel 99 (Room 4129)



Hotel 99 (Room 4205)



Hotel 99 (Room 4205)

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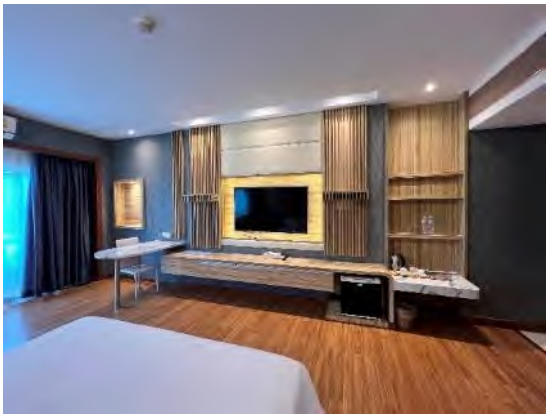
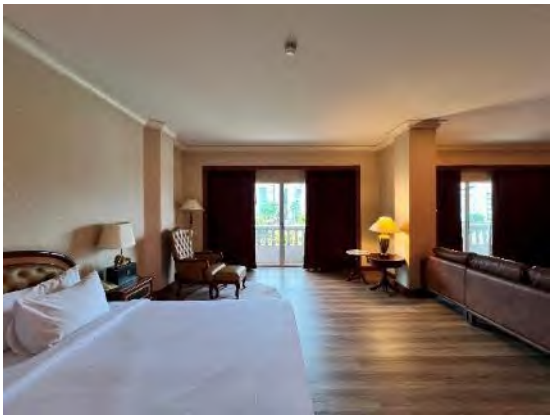
Hotel 99 (Room 4307)



Hotel 99 (Room 4307)



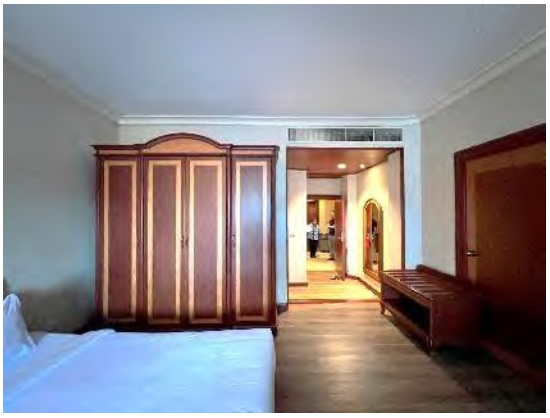
Hotel 99 (Room 4411)



Hotel 99 (Room 4411)



Hotel 99 (Room 4404)



Hotel 99 (Room 4404)

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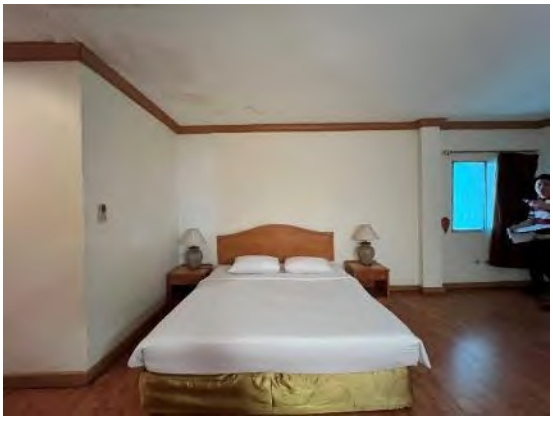


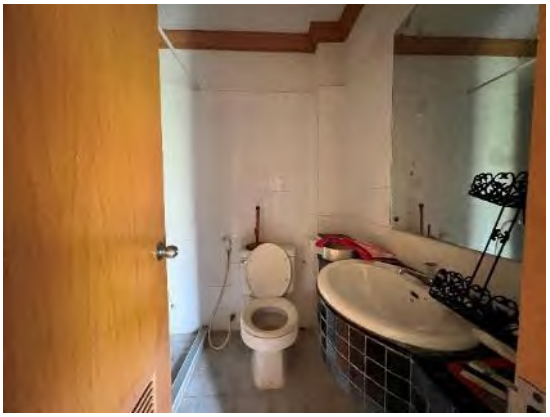
Hotel 113 (Room 3072)



Hotel 113 (Room 3083)



Hotel 113 (Room 3113)



Hotel 113 (Room 3113)

Building services: -

2.20 Building services provided within the Property are as follows: -

Services	Description
Air-Conditioning	All rooms and buildings are cooled by Variable Refrigerant Volume (VRV) and split air conditioning system.
Fire Prevention	The Property is generally fitted with fire extinguisher, hose reel system, smoke detector, emergency lightings and exit signages.
Security	Closed circuit television (CCTV) installed at various strategic & critical areas of the Property, 24-hours security and in-room safe deposit boxes.
Emergency Power	Six generators installed within the Property in the event of power outage as follows: - • 2 “Marathon” generators, each with a capacity of 1,788 KVA • 1 “Marathon” generator, with a capacity of 1,875 KVA • 2 “Cummins” generators, with a capacity of 1,000 KVA & 1,600 KVA • 1 “Infinity Power” generator, with a capacity of 250 KVA

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Services	Description
Lift Services	• 1 lift installed within hotel 99. • 2 lifts with a maximum capacity of 6 persons in the double-storey restaurant.

Car-parking

2.21 External parking spaces are provided surrounding the Property.

Grounds

2.22 We observed that the grounds are landscaped and very well presented. We have also assumed that the hotel is air-conditioned throughout.

Accommodation

Measurement

2.23 We have undertaken a scaled-off measurement of the as-built floor plans provided by Donaco in accordance with RICS Property Measurement Professional Standard. We confirm that the floor areas on a Gross Floor Area (GFA) basis are as follows:

Main buildings identification



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Floor areas

No.	Building	Gross Floor Area (sq m)
1	A double-storey casino (Casino 1)	17,345 sq. m
	- Extension - a double-storey workshop/electric room	*240 sq. m*
	- Extension - an open-sided lean-to	*144 sq. m*
	- Extension - a single-storey store room	*81 sq. m*
2	A double-storey casino (Casino 2)	5,198 sq. m
3	A single-storey casino (Casino 3)	9,978 sq. m
4	A single-storey entertainment building (Star City)	1,000 sq. m
5	A double-storey hotel (Star Venus)	3,491 sq. m
6	A double-storey hotel (Hotel 100)	4,629 sq. m
7	A four-storey hotel (Hotel 99)	7,140 sq. m
8	A single-storey gymnasium	1,390 sq. m
9	A single-storey hotel (Hotel 113)	3,565 sq. m
	- Extension - an open-sided walkway	*212 sq. m*
10	Two single-storey residence	1,022 sq. m
11	A single-storey detached house (Waterfront Bungalow)	238 sq. m
12	A single-storey warehouse 1	199 sq. m
13	A single-storey warehouse 2	475 sq. m
14	A single-storey office (back-of-house)	1,360 sq. m
15	A single-storey laundry building	433 sq. m
16	A single-storey male/female water closets (WCs)	96 sq. m

No.	Building	Gross Floor Area (sq m)
17	A single-storey canteen	130 sq. m
18	A single-storey water chiller building	550 sq. m
19	A single-storey water chiller control building	135 sq. m
20	A single-storey game center (Star Arcade)	924 sq. m
21	A single-storey power plant building	920 sq. m
22	A single-storey warehouse 3	2,408 sq. m
23	An elevated detached office	42 sq. m
24	A swimming pool	1,100 sq. m
25	An open-sided car park	195 sq. m
26	A double-storey restaurant (Aroms Restaurant)	895 sq. m
Total		**65,535 sq. m**

Source: Measurements extracted from the as-built floor plans provided by Donaco

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Measurement

2.24 In addition, we have been provided with the hotel room areas on a Net Internal Area basis as follows:

Floor areas

No.	Hotel	No. of Room	Net Internal Area (sq m) per room	Total Net Internal Area (sq m)
1	Star Venus Hotel	43	24.00 sq. m	1,032 sq. m
		3	72.00 sq. m	216 sq. m
		18	16.00 sq. m	288 sq. m
		7	32.00 sq. m	224 sq. m
2	Hotel 100	96	29 sq. m	2,784 sq. m
		4	58 sq. m	232 sq. m
3	Hotel 99	45	36.00 sq. m	1,620 sq. m
		43	43.00 sq. m	1,849 sq. m
		11	86.00 sq. m	946 sq. m
4	Hotel 113	113	24.00 sq. m	2,712.00 sq. m
Total Rooms		**383**	-	**11,903 sq. m**

Source: Measurements extracted from the as-built floor plans provided by Donaco

2.25 Should the areas adopted differ from the actual area of improvements we reserve the right to amend our valuation accordingly.

2.26 Copies of the as-built floor plans provided are attached at **Appendix 4**.

Condition

Scope of inspection

2.27 As stated in the General Terms of Business for Valuation Services and General Scope of Valuation Work, we have not undertaken a building or site survey of the Property. As our inspection was done specifically for the purpose of this Valuation, it is advised that any parties interested in the Property for any other reasons whatsoever conduct their own inspection to confirm the relevant site details and engage the services of a qualified Land Surveyor to determine the boundaries if so required.

2.28 We have not carried out a professional building survey or any testing of services, nor have we inspected those parts of the Property which are inaccessible. We are unable to confirm whether the Property is free from urgent or significant defects or items of disrepair.

Comments

2.29 We have assumed that there are no urgent or significant defects or items of disrepair, which would be likely to give rise to substantial expenditure in the foreseeable future or which fall outside the scope of the normal annual maintenance programme.

Ground conditions

2.30 We have not been provided with a copy of a ground condition report for the site. We have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the building(s) constructed or to be constructed thereon.

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Environmental, Social and Governance (ESG)

2.31 The Property does not hold a green certification or formal ESG rating. Due to the infancy stage of ESG and awareness in Cambodia, ESG factors are not currently priced into property transactions and are not expected to materially impact value.

Sustainability

2.32 The issue of sustainability and the ESG agenda has become increasingly important to participants in the property market. There is a general expectation that buildings that minimise environmental impact through all parts of the building life cycle and focus on improved health and wellbeing for their occupiers may retain value over a longer term than those that do not.

2.34 Our valuation provides our opinion of value at the Valuation Date based on our understanding of how ESG issues and related factors are being taken into account by the market at that date.

2.35 We have not been provided with an environmental survey in respect of the Property.

Flooding

2.36 From our enquiries, we have ascertained that the property is within an indicative floodplain and that there is therefore a moderate flood risk as a result of heavy rain and poor sewage infrastructure which is typical throughout Cambodia. Our valuation is based on the assumption that the Property is unaffected. However, we are not experts in this field and we recommend seeking professional advice from relevant experts

Contamination

2.37 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists. Knight Frank is not qualified to undertake scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination.

2.38 Subject to the above, while carrying out our valuation inspection, we have not been made aware of any uses conducted at the Property that would give cause for concern as to possible environmental contamination. Our valuation is provided on the assumption that the property is unaffected.

High voltage equipment

2.39 Unless commented upon otherwise within this report, while carrying out our valuation inspection, we did not become aware of any high voltage electrical supply equipment located close to the property. The possible effects of electric and magnetic fields have been the subject of media coverage, with the result that where there is high-voltage electrical supply equipment close to the property, there is a risk that public perception may affect marketability and value. Further comment to be added if value considered to be affected in this case.

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Planning

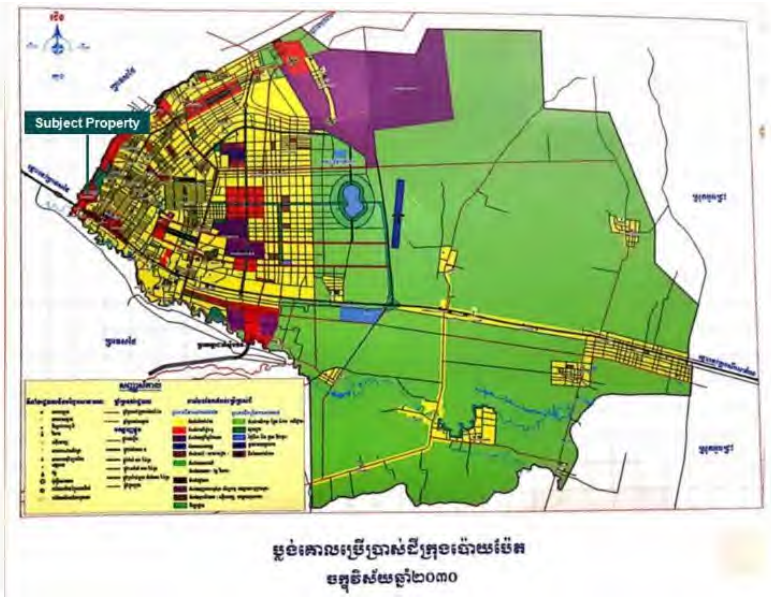
Sources of planning information

2.40 We have made informal enquiries of the Department of Land Management, Urban Planning, Construction and Cadastral in Banteay Meanchey, we have ascertained that the property is located within an area designated for development of mixed use. Vide a copy of the Land Use Master Plan of Poipet City 2030, the Property is permissible for “commercial” development.

2.41 The Property is designated for residential development as expressly stipulated in the title document.

2.42 Notwithstanding the land use, officials working in the Department of Land Management, Urban Planning, Construction and Cadastral Department gave us verbal confirmation that each proposed developments will be reviewed on a case by case basis.

2.43 We have endeavoured to make verbal and web based enquiries but the local authority will not provide the relevant information regarding the planning history of the Property, without writing in or making a personal visit with the registered proprietor of the property. Therefore, we have assumed that the Property complies with all necessary planning permissions.



Source: Ministry of Land Management, Urban Planning & Construction (MLMUPC)

Planning policies

2.44 The Property is not located within a height restriction area.

Highways and access

Highways

2.45 We have assumed that all highways bounding the property are adopted.

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Access

2.46 In reporting our opinion of value, we have assumed that there are no third party interests between the boundary of the Property and the adopted highways and that accordingly the property has unfettered vehicular and pedestrian access.

2.47 We have assumed that there are no issues relating to visibility splays which may impact upon the use or proposed use of the property.

Property Taxes

Property Taxes

2.48 Annual property tax in Cambodia is officially known as the Tax on Immovable Properties (TOIP). Immovable properties include: land, houses, infrastructure, buildings, other construction, etc. TOIP imposes an annual tax rate of 0.1% on immovable properties that value over $25,000 (KHR 100 million).

2.49 Transfer taxation, also known as registration tax or stamp duty, is a 4% tax imposed when there is a transfer of ownership for immovable property. Taxpayers must pay this transfer tax within three months of the property transfer. It is generally paid by the buyer, but is negotiable depending on the contract between both parties.

2.50 The value of all property built on land is identified by its market price, which is evaluated and then established by the Prakas of the Ministry of Economy and Finance. We understand that the Property is located within the casino zone, to which a land value of US$1,500 per square metre applies.

2.51 Tax on rental properties, whether the landlord be a Cambodian national or non-resident, must pay an annual rental tax. Cambodian nationals have a 10% tax rate, whereas non-residents have a 14% tax rate. The tax rate is equivalent to 10% or 14% of the gross rental, which is included in the lease agreement for the rented property.

Legal title

Sources of Information

2.52 We have been provided with a Certificate of Real Estate Ownership by Donaco which we have relied upon but cannot accept any responsibility for its legal validity. A copy of the Certificate of Real Estate Ownership at **Appendix 3**. The details are summarised below: -

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Summary of the Certificate of Real Estate Ownership		
Title No.	:	01100201-2467
Village	:	Kbal Spean 1
Commune	:	Poipet
District	:	Poipet
City	:	Banteay Meanchey
Tenure	:	Freehold
Land Area	:	115,098 square metres
Type of Land	:	N/A
Land Use	:	Residential
Condition of Land Use	:	Private
Date of Issue	:	11 April 2018
Registered Proprietor(s)	:	Lee Hoe Property Co., Ltd
Encumbrances/Liens	:	Nil
Other endorsement(s)	:	Nil

2.53 In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn.

2.54 We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct. It is also particularly important that your legal advisers should be asked to check whether there have been any transactions relating to the property which reveal price paid information which we should be made aware of.

2.55 If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.

2.56 **Business Registration Certificate No. 00006147** was initially issued by the Ministry of Commerce on 30 June 2015. The main terms of the certificate are outlined below:

- Company's name: DNA STAR VEGAS CO., LTD.
- Incorporated as: Private Limited Company

2.57 **Casino Licence No. 17** was initially issued by the Commercial Gambling Management Commission of Cambodia on 28 July 2022. The main terms of the certificate are outlined below:

- Name of Casino: Star Vegas
- Name of Business Company: DNA STAR VEGAS CO., LTD.
- Name of Representative: YEO CHIAW LIM

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- Subject of Business: Casino
- Business Location: Kbal Spean Village, Sangkat Poipet, Poipet City, Banteay Meanchey
- Licence Valid Until: 31 December 2026

Tenure

2.58 As per the Certificate of Real Estate Ownership No. 01100201-2467, the land is held by Lee Hoe Property Co., Ltd (the "Lessor") under a freehold interest.

2.59 Vide a copy of the Perpetual Lease Agreement, the entire land has been leased to DNA Star Vegas Co., Ltd (the "Lessee") by the Lessor for a term of 41.5 years commencing from 1 January 2024 and expiring on 30 June 2065. Upon expiry, the lease shall be automatically renewed for an additional term of 50.0 years, thus having an unexpired term of about 90.3 years as at the Valuation Date. The current rent is US$20,000 per month.

2.60 The terms of the Perpetual Lease Agreement are set out below:

- **Lease Date:** 1 January 2024
- **Commence:** 1 January 2024
- **Expire:** 30 June 2065
- **Lessor:** Lee Hoe Property Co., Ltd.
- **Lessee:** DNA Star Vegas Co., Ltd.
- **Demise:** Within Village of Kbal Spean 1, Commune of Poipet, District of Poipet, Province of Banteay Meanchey, Kingdom of Cambodia.
- **Land area:** 115,098 square metres.
- **Use:** The lessee shall use the leased property only for lawful purposes in according to Cambodia law.
- **Term:** 41.5-year leasehold interest with an automatic renewal of 50 years.
- **Agreed Rent:**

Term	Rent Per Month (US$)	Remark
January 2024 to March 2025	US$20,000	Inclusive of all applicable taxes.
April 2025 to March 2030	US$30,000	Inclusive of all applicable taxes.
April 2030 until the expiry of Term or Extended Term	US$30,900 onwards	The rent shall increase 3% every 3 years, inclusive of all applicable taxes.

2.61 **Utilities Services:** The rent shall exclude electricity, water and any other utilities charges and fees which shall be fully borne by the Lessee and which shall be paid directly by the Lessee to the relevant suppliers.

2.62 These assumptions should be verified by your legal advisers. If they prove incorrect, any variation may have a material impact on value and should be referred back to us for further comment.

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Rights of way

2.63 Unless commented upon within this report, we have not been advised of any right of way, easement, wayleaves or similar which may potentially have a detrimental impact upon the valuations in this report. We recommend that your legal advisers confirm that our understanding is correct.

Covenants

2.64 Unless commented upon otherwise within this report, we have assumed that the Property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.

Tenancies

2.65 We are not aware of any staff occupation of the Property and nor are we aware of any occupancy restriction or similar limitation affecting the Property.

2.66 We have relied on a tenancy schedule provided by Donaco and no further verification has been undertaken. We assumed that all information contained in the tenancy schedule handed to us is accurate and without omission. We have further assumed that the tenancy agreements of the Property are on normal commercial terms and are still valid and enforceable.

Tenancy information

2.67 Vide copies of the tenancy agreements, tenancy schedule and confirmation with Donaco, we summarised below existing commercial spaces leased or for lease within the Property, which have been considered when assessing the Market Value of the Property:-

Tenant	Leasable Area (sq m)	Lease Commence	Lease Term (years)	Lease Expiry	Current Rent pm
Duty Free	117	-	-	-	-
A single-storey entertainment building (Star City)	920	01-Aug-22	3.0	31-Jul-25	US$21,247
Coffee Corner	95	01-Jul-24	1.0	30-Jun-25	US$878
Star Venus Hotel (Building 9)	689 (gross)	01-Sep-24	0.9	31-Jul-25	US$7,492
Star Venus Hotel (Building 8)	2,803 (gross)	-	-	-	-
A double-storey restaurant	895 (gross)	16-Mar-23	3.0	15-Mar-26	US$7,316

Tenant	Leasable Area (sq m)	Lease Commence	Lease Term (years)	Lease Expiry	Current Rent pm
(Aroms Restaurant)					
Laundry Venue (Zone A & Star Ploy)	433	15-Jul-24	1.0	30-Jun-25	US$33
Staff Canteen (Shop 1-4)	530	-	-	-	-
Pawn Shop	-	01-Jul-24	1.0	30-Jun-25	US$1,467
Viettel	-	01-Nov-22	3.0	01-Nov-25	US$330

2.68 Currencies have been converted from Thai Baht to United States Dollars at a rate of US$1 : THB 33.60 (exchange rate source: Bloomberg – 17 March 2025).

Internal Management Agreement

2.69 The hotel is owner-operated with no management agreement in place.

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3. Market analysis

Source of information

3.1 Our market analysis has been undertaken using market knowledge within Knight Frank, enquiries of other agents, searches of government databases, as appropriate and any information provided to us.

3.2 Whilst every care is taken to ensure its accuracy and authenticity, Knight Frank does not warrant or represent that such information is free from errors. Whenever possible, the report is based on data available to us as of the Valuation Date.

Cambodia overview

3.3 Cambodia is located on the south-eastern part of Asia, bordering Laos to the north-east, Vietnam to the south-east and Thailand to the west and north-west respectively. It covers an area of about 181,035 square kilometres, spanning approximately 440 kilometres from north to south and 560 kilometres from east to west. The country is bounded on the south-west by the Gulf of Thailand.

3.4 Although starting from a low base, Cambodia has been one of the strongest performing economies in Southeast Asia over the past decade in terms of Gross Domestic Product (GDP) growth due to it's open door policy on foreign investment (companies can be 100% foreign owned) and its open market policy (Market Economy) on the control of the economy.

3.5 Currently, the two largest contributors to GDP are the services and manufacturing sectors, with manufacturing currently dominated by garment and textiles.

3.6 The agriculture sector remains the main source of employment for Cambodians, particularly in rural areas due to Cambodia's low urbanisation rate. However, with the discovery of off-shore oil reserves in 2004, the oil and gas sector is expected to be one of the main drivers of GDP growth over the medium to long term as well as the tourism industry which has recorded an erratic but strong growth over recent years.

3.7 Notwithstanding the above, there remains a significant lack of cohesive planning at a national level in terms of overarching Economic Structure Plans, Planning Policy and Infrastructure Policy, which currently hinders economic growth with no clear direction as to how best in ensuring that Cambodia continues to record healthy GDP growth. There are a number of draft policies and frameworks, including the newly tabled Pentagonal Strategy Phase 1, Cambodia Vision 2050, which seeks to elevate Cambodia to a high-income nation by 2050, most of which are pending formal adoption.

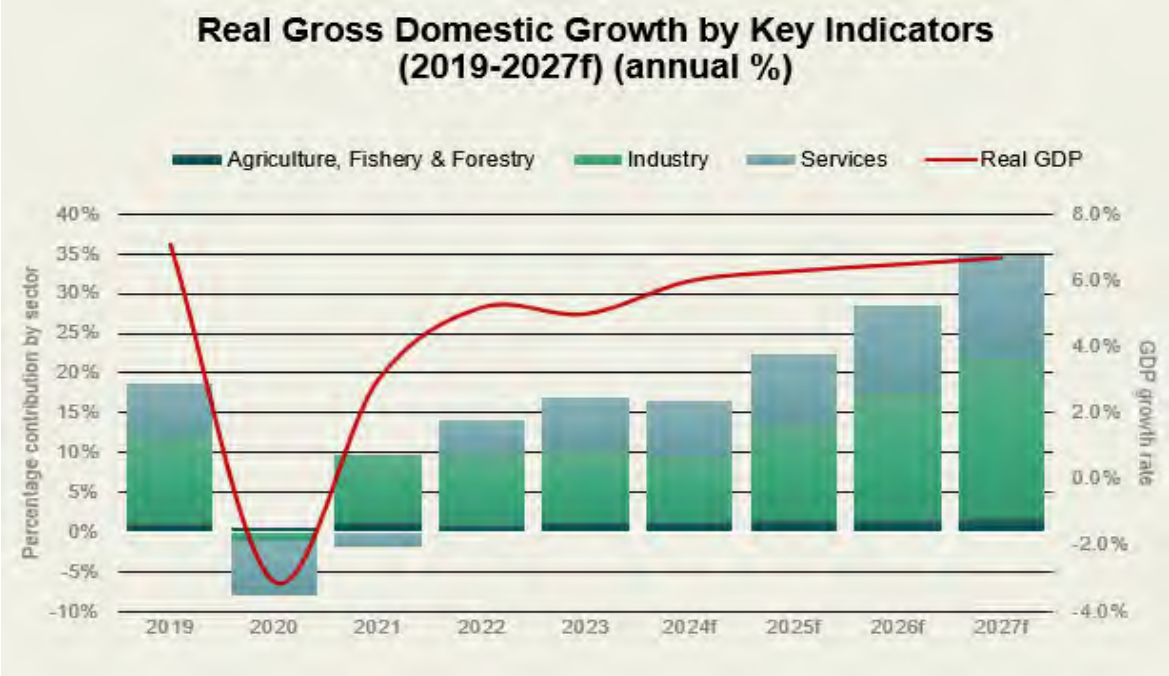
3.8 Furthermore, whilst Cambodia has a relatively young population, one of the key issues at present is the lack of skilled labour force, which is one of the main reasons why the textile industry dominates the manufacturing sector.

Economic overview

3.9 The Ministry of Economy and Finance (MEF) has revised Cambodia's GDP forecast over the medium term between 2024 to 2027. The MEF General Department of Policy has released new statistics

predicting that the country's economy will experience a 6% GDP growth in 2024. Furthermore, the economy is projected to grow to 6.5% in the medium term, spanning from 2025 to 2027.

Cambodia's GDP growth rate



Source: Ministry of Economy and Finance

3.10 The latest ADB forecast expects that Cambodia's economy to grow by 5.8% in 2024 and forecast a 6.0% expansion in 2025. This growth will be driven by more robust export-oriented manufacturing. In addition, the projection by AMRO (ASEAN+3 Macroeconomic Research Office) projects that the Cambodian economy will grow by 6.2% in 2024 and 6.3% in 2025. The recovery in the garment sector, sustained growth in other manufacturing exports and continued rebound in tourism will support the ongoing economic recovery.

3.11 Illustrated below are GDP (actual and forecast) by global financial institutions namely National Bank of Cambodia (NBC), International Monetary Fund (IMF), World Bank (WB), Asia Development Bank (ADB) and ASEAN+3 Macroeconomic Research Office (AMRO) over Year 2024 to 2025f.

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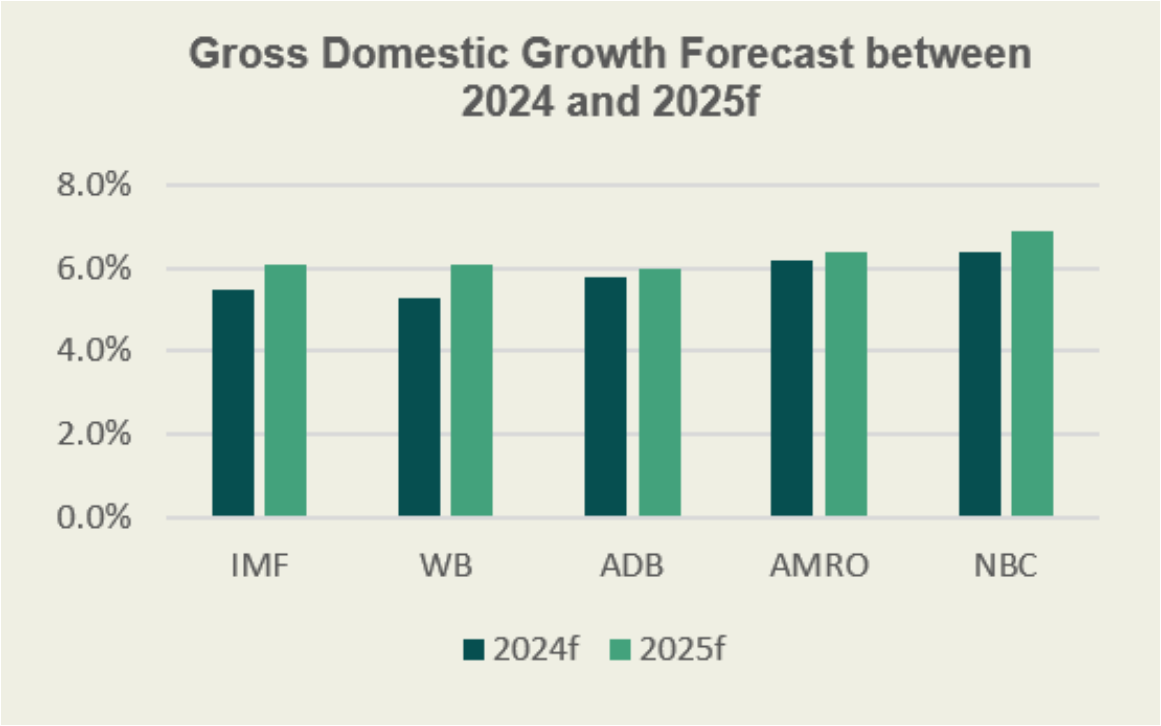
Cambodia's projected GDP growth rate



Source: Knight Frank Research [National Bank of Cambodia (NBC) / International Monetary Fund (IMF) / World Bank (WB) / Asia Development Bank (ADB) / ASEAN+3 Macroeconomic Research Office (AMRO)]

3.13 Over the short term, Cambodia's real GDP growth is projected to experience a positive trajectory, anticipated to reach an impressive 5.5% in both 2025 and 2026, underscoring a promising economic outlook for the Kingdom.

3.14 However, the Ministry of Land Management, Urban Planning and Construction reported an 11% decline in approved permits for real estate development. Meanwhile, approved fixed asset investment projects in the first six months of 2024 increased by 194% compared to the same period in 2023, mainly due to Chinese investment in manufacturing and infrastructure projects.

3.15 Although the global economy is in decline for the third consecutive year, Cambodia continues to benefit from regional and international trade agreements. These agreements have expanded its export markets and attracted foreign investment. Cambodia has managed to maintain a positive economic trajectory with a strong foundation for medium-term growth.

Consumer Price Index (CPI)

3.16 Inflation has been declining since it peaked at 7.8 per cent in June 2022, which was the highest level in 13 years, primarily due to global food and oil price shocks. In September 2024, Cambodia's Consumer Price Index (CPI) showed a decrease, falling to 0.8 per cent year-over-year, compared to 3.8 per cent in the same month of 2023.

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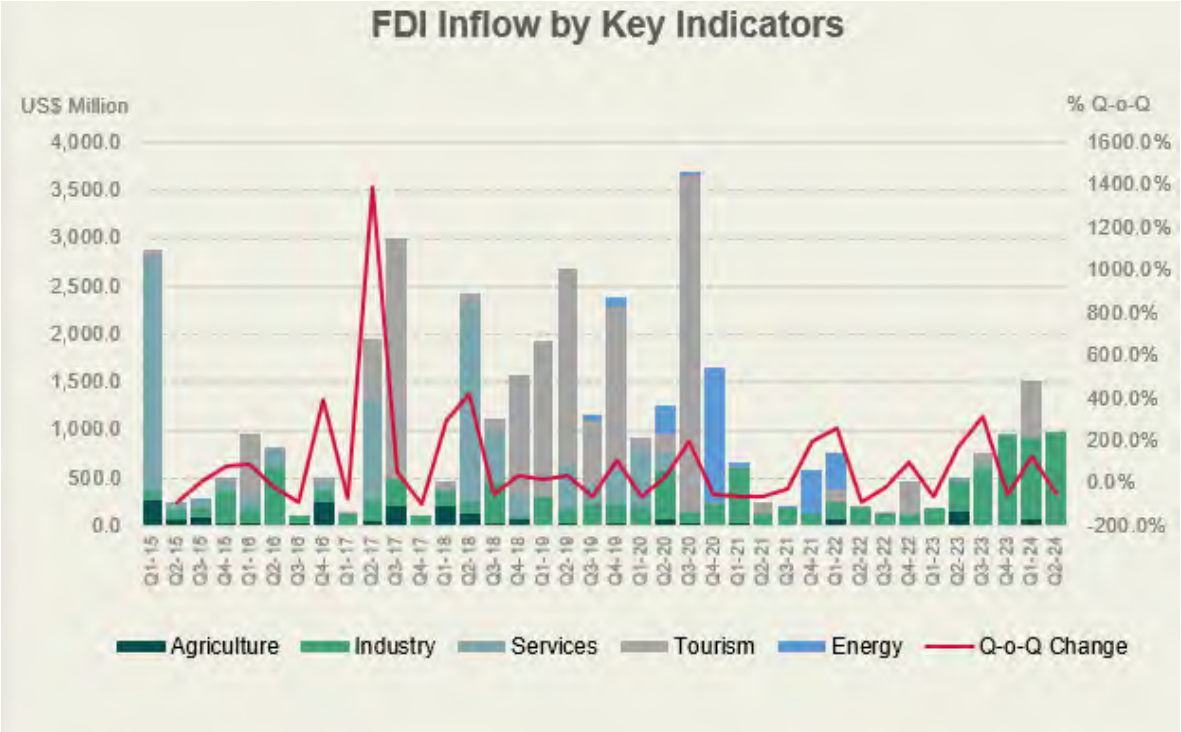
Source: National Institute of Statistics, Ministry of Planning

Foreign Direct Investment (FDI)

3.17 The Council for the Development of Cambodia (CDC) has approved $3.2 billion in fixed-asset investments for 190 projects in the first six months of 2024, a 195% increase from the $1.1 billion in the same period last year.



Source: National Bank of Cambodia / CDC

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ASEAN Economic Community (AEC)

3.18 The Association of Southeast Asian Nations (ASEAN) was established in 1967 in Thailand, with the signing of the ASEAN Declaration (Bangkok Declaration) by the Founding Fathers of ASEAN, namely Indonesia, Malaysia, Philippines, Singapore and Thailand. Brunei Darussalam then joined in 1984, Vietnam in 1995, Laos and Myanmar in 1997 and Cambodia in 1999, making up what is today the ten Member States of ASEAN. In brief, the aims and purposes of the ASEAN community are to:

- Accelerate economic growth, social progress and cultural development in the region through joint endeavours;
- Promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter;
- Promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields;
- Provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;
- Collaborate more effectively for the greater utilisation of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade, the improvement of their transportation and communications facilities and the raising of the living standards of their peoples;
- Promote South-East Asian studies; and
- Maintain close and beneficial cooperation with existing international and regional organisations with similar aims and purposes and explore all avenues for even closer cooperation among themselves.

3.19 Cambodia's integration into the ASEAN Economic Community (AEC) has paved its accessibility to tap into the various existing trade agreements namely:-

- ASEAN-China Free Trade Area (ACFTA)
- ASEAN-Japan Comprehensive Economic Partnership (AJCEP)
- ASEAN-Korea Free Trade Area (AKFTA)
- ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)
- ASEAN-India Trade in Goods Agreement (AITIGA).

Pentagonal Strategy Phase 1

3.20 Developed right after the 2023 general elections, the Pentagonal Strategy - Phase I was introduced and tabled over the 7th Legislature of the National Assembly at the First Plenary Session of the Council of Ministers on 24 August 2023.

3.21 This new strategy centered on growth, employment, equity, efficiency and sustainability in preparation and aligned to the Cambodian Vision 2050. The Pentagonal Strategy is split into three parts.

3.22 Part 1 of the Pentagonal Strategy outlines the major achievements over the past 25 years, global megatrends, challenges, opportunities and strategies for the implementation and formulation of the Pentagonal Strategy.

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3.23 Identification of the key priorities are mostly discussed under Part 2 of the Pentagonal Strategy. The five strategic objectives are as follows:-

1) Pentagon 1: Human Capital Development

Covers enhancement over quality of education, sports, science and technology; pursue transformation of technical skills training; improve health and well-being; strengthen social protection and food system; and strengthen quality of citizenship to promote a highly civilised society with morality, equality and inclusiveness.

2) Pentagon 2 : Economic Diversification and Competitiveness Enhancement

To develop key sectors and new sources of economic growth; enhance connectivity and efficiency in transport, logistics, energy, water supply and digitalisation; create a favourable climate and improve business and investment environment; strengthen the efficiency and attractiveness of Special Economic Zones (SEZs) including industrial parks, agro-industrial parks and domestic free-trade zones (FTZs); and innovate financing mechanisms and broaden financial products and diversification.

3) Pentagon 3 : Development of Private Sector and Employment

Develop the labour market; promote micro, small and medium enterprises, startups, entrepreneurships and develop informal economy; strengthen public-private partnerships; create healthy, fair and just business competition; and strengthen the banking system and non-bank financial sector.

4) Pentagon 4 : Resilient, Sustainable and Inclusive Development

Optimise demographics dividends, strengthen demographic resilience and promote gender equality; to develop a sustainable management of natural resources, cultural heritages and tourism; promote agriculture and rural development; strengthen urban management and modernisation; and enforce environment sustainability, prepare for climate change response and promote green economy.

5) Pentagon 5 : Development of Digital Economy and Society

To prepare and build a digital government and community (citizens); develop digital economy, business, e-commerce and digital innovation system; build and develop digital infrastructures; a digital government; build trustworthiness and confidence in digital system; and develop financial technology.

3.24 In addition, the Royal Government of Cambodia outlined six priority policies from 2023; provide healthcare services through a universal health coverage program, health equity fund and expand healthcare services through social security fund; provide nationwide vocational and technical trainings; institutionalising national social security program targeted at poorer households; enacting and promoting the development strategy for the informal economy to encourage participation to the formal economy; trigger coordination mechanisms and financing programs particularly for agriculture sector; and deployment of technical employees and governmental officials with agriculture experience to educate, improve and enhance production.

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3.25 Aside from outlining the implementation and mechanisms to promote participations from all stakeholders, Part 3 of the Pentagonal Strategy also covers monitoring and evaluation over the Phase 1 of Pentagonal Strategy.

National Strategic Development Plan (NSDP)

3.26 Over the first quarter of 2023, the Ministry of Planning commenced a series of workshops to assist in the development of NSDP 2024-2028, with the main aim of transitioning the country from the Least Developed Countries status and achieving the Sustainable Development Goals (SDGs) by 2030.

3.27 Orientation workshops were organised to collect and collate input from various stakeholders with the main objective to formulate process of the NSDP 2024-2028.

3.28 Extracted from the previous NSDP 2019-2023, the main topics of discussion were:-

- Acceleration of Governance Reform
- Overarching Environment for Implementing the Strategy
- Human Resource Development
- Economic Diversification and Competitiveness
- Private Sector and Development
- Inclusive and Sustainable Development
- Economic Development and Digital Society

3.29 The on-going NSDP 2024-2028 is aimed to support recovery from concurrent shocks associated with the post pandemic, the Russia-Ukraine war, climate change, pollution and loss of biodiversity. It is expected to foster an enabling environment for peace, stability and rule of law, setting the way forward for translating national priorities on human development, economic diversification, private sector development, resilient, inclusive and sustainable development and digital transformation into action.

3.30 The previous NSDP 2019-2023 was presented by the General Directorate of Planning (Ministry of Planning) on 14 December 2017, an overarching socio-economic development policy paper for the five years period. The proposal states that the Cambodian Sustainable Development Goals (CSDGs) Framework 2016-30 will be finalised in early 2018 and incorporated into the latest NSDP 2019-23.

3.31 The NSDP 2019-2023 was an update from the previous NSDP 2014-18 which also outlines the major achievement and challenges in the implementation of NSDP 2014-2018.

3.32 The former NSDP outlined plans over the 5-year period was announced upon conclusion of the previous election over 2018. Key policy priorities and actions over 2019-2023 were :-

1) <u>Accelleration of Governance Reform: The Core of the Rectangular Strategy</u>
   Covers institutional reform, capacity building, strengthening accountability and integrity, strengthening of work effectiveness and strengthening of private sector governance.

2) <u>Overarching Environment for the Implementing the Strategy</u>
   Covers peace, political stability and social order, favourable environment for business, investment and development, strengthening ownership and partnership in development and international cooperation, strengthening Cambodia's capacity to further promote its integration into regional and global economy.

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3) Human Resource Development

Covers strengthening of the quality of education, science and technology, technical training enhancement of public health and nutrition and improving gender equity and social protection.

4) Economic Diversification

Covers improving the logistics system and enhancing transport, energy and digital connectivity, development of key and new sources of growth, preparing for digital economy and the fourth industrial revolution and promoting development of banking and financial sector.

5) Private Sector and Job Development

Covers job market development, promoting small and medium enterprises and entrepreneurship, arrangement and implementation of public private partnership and enhancing competition.

6) Inclusive and Sustainable Development

Covers promotion of agriculture sector and rural development, the sustainable management of natural resource and culture, strengthening urban planning and management and ensuring environmental sustainability and pre-emptive response to climate change.

3.33 Additionally, the latest NSDP includes costs, resources and programming which outlines total investment requirements, public investment requirments, potential resources for funding total public investment requirements and developing new synergies for capital investment between Rectangular Strategy (RS) (centred on the themes of Growth, Employment, Equity and Efficiency), NSDP, Public Investment Programs (PIP) and the budget allocation of capital expenditure by sector and subsector.

Tourism

3.34 The SEA Games hosted over Year 2023 marked a historic occasion for the nation as Cambodia hosted the event for the first time in 64 years, followed by the 12th ASEAN Para Games, in the newly-constructed Morodok Techo National Stadium.

3.35 The event was aimed to uplift the number of tourists to the country, providing it an additional momentum to the recovering tourism industry. Over the initial quarter of 2023, The Ministry of Tourism recorded 1.2 million foreign arrivals – seven times the arrival count during the same quarter in 2022.

3.36 The successful hosting of the Cambodia SEA GAMES 2023 in May boosted international tourist arrivals to the Kingdom, recorded at 2.57 million during H1 2023, representing an increase of 409 per cent compared with H1 2022. In 2023, total international tourist arrivals to Cambodia were 5.5 million, up 141% from 2022.

3.37 Cambodia's tourism sector continued its upward trajectory in 2024, building on the momentum from earlier in the year. By November 2024, international tourist arrivals reached 6,001,057, reflecting a substantial increase compared to the same period in 2023. This growth underscores the sector's resilience and recovery following the challenges posed by the COVID-19 pandemic.

3.38 The robust recovery can be attributed to several factors, including the implementation of the National Strategic Plan for Tourism Development (2023–2035) and the Siem Reap Tourism Development

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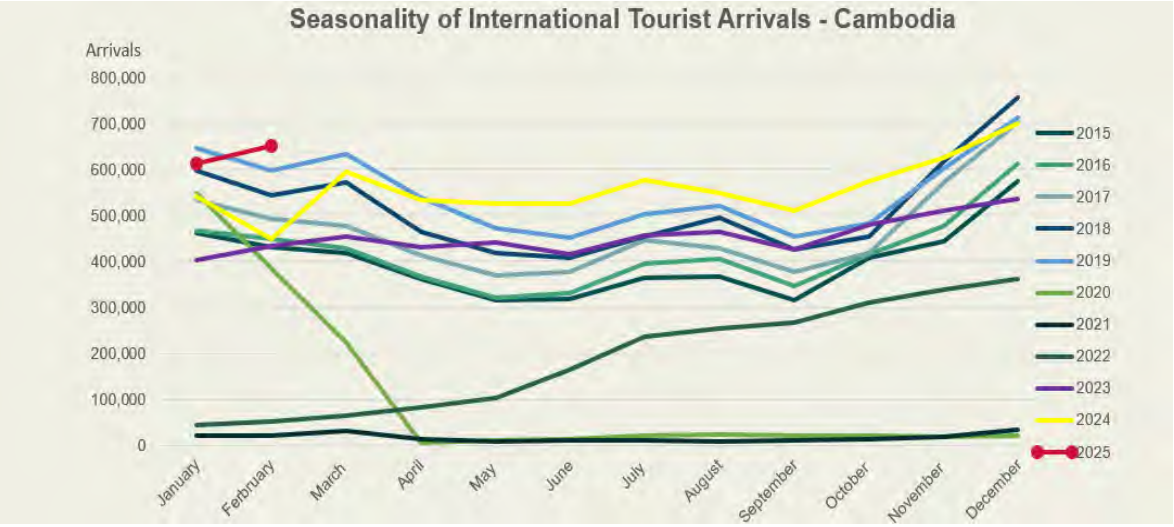
Master Plan (2021–2035). These strategies have enhanced Cambodia's global appeal, supported by infrastructure developments and improved marketing initiatives under the Siem Reap Tourism Marketing and Promotion Strategic Plan (2023–2026).

3.39 The introduction of upgraded tourism infrastructure, such as new transport links and revitalised attractions, has further contributed to the steady increase in visitor numbers. Notably, key events and initiatives, including cultural festivals and international marketing campaigns, played a vital role in attracting tourists during the second half of the year.

3.40 While the tourism sector has shown strong recovery trends, challenges remain. The global economic environment, coupled with competition from neighbouring countries, continues to test the Kingdom's ability to sustain this growth.

Tourist arrivals



Source: Statistics and Tourism Information Department, Ministry of Tourism

3.41 Historically, tourism activities are mainly focused in Siem Reap, which is home to the Angkor archaeological site. Over the last three years, supported by the latest infrastructure completion (the Phnom Penh-Sihanoukville Expressway), tourism activities in Preah Sihanouk since surpassed Siem Reap.

3.42 Upcoming completion of major infrastructure project such as the new Phnom Penh international airport, the on-going Phnom Penh-Bavet expressway and the Phnom Penh-Siem Reap Expressway currently under market study, coupled with an increasingly diversified accommodation offerings and an increasing interest in Cambodia as a tourist destination, will further strengthen recovery for the tourism sector.

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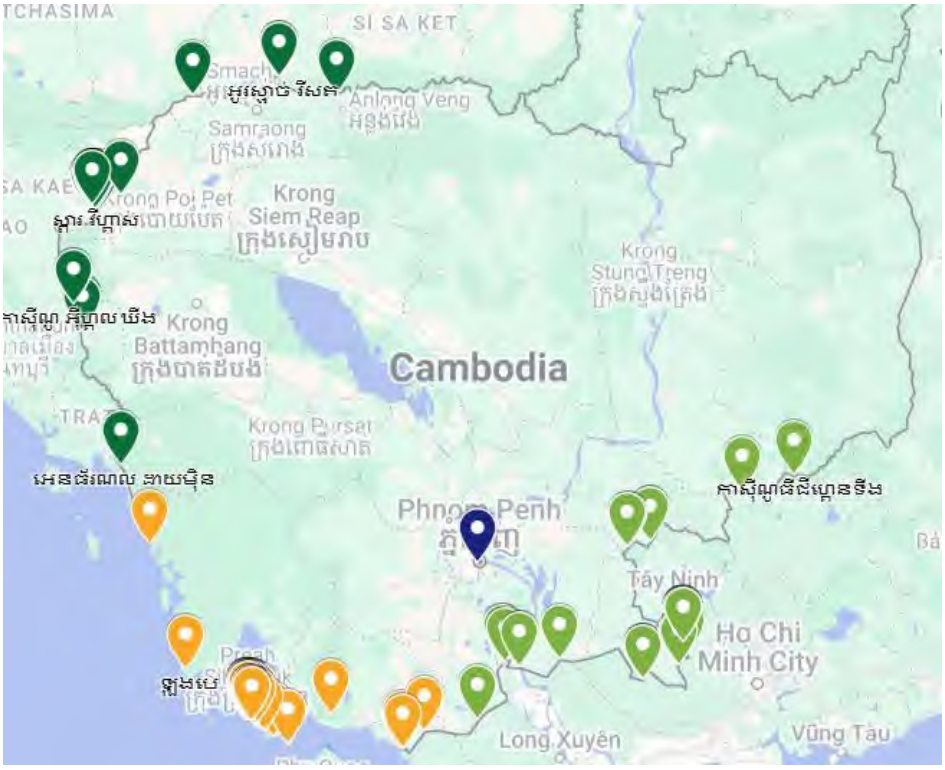
Casino gaming market overview

3.43 According to the CGMC, there are about 195 casinos in 2024. Apart from a single casino at the capital city - Phnom Penh, casinos in the country are mainly concentrate along the coast or at the border strips between Thailand or Vietnam.

3.44 According to data from CGMC, there are about 103 casinos located along the coast at the south-western part of the country. About 50 are located along the borders with Thailand, while the remaining are in provinces bordering Vietnam. According to officials from CGMC, casinos are concentrated in the border towns of Bavet and Poipet, serving foreign customers.

Table 5: Distribution of casinos in Cambodia



Source: Commercial Gambling Management Commission of Cambodia / Map data ©2025 Google

Casino Regulations

3.45 Casino operations in Cambodia were less regulated before 2020. Principal laws (or Krams) regarding casino operations are mainly the Kram on the Control of Gambling (promulgated in 1996). It provides that "gambling of all kinds, in all places throughout the whole kingdom of Cambodia shall be strictly prohibited except those permitted by the Royal Government". Mainly law enforcement relied on the "Legal Gaming Control Bureau" of the Ministry of Interior of Cambodia and the National Police Central Security Department, monitoring the casino operations and in particular any money laundering activities.

3.46 In late 2020, the Government introduced the Law on the Management of Commercial Gaming (the "Law"). This marked a significant shift in Cambodia's approach to regulating the gambling industry,

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moving towards a more structured regulatory framework. The law includes setting up licensing system, land zonings, tax collection, etc. It also sees tax levied on gross gaming revenue (GGR) at 4% on VIP GGR; and 7% on mass-market GGR.

3.47 The Commercial Gambling Management Commission of Cambodia (CGMC) was set up as a centralised government agency for the gaming sector. It is responsible for overseeing licensing, regulatory enforcement, and ensuring compliance with national gambling laws. In late 2024, CGMC stablished 13 onsite offices within licensed casinos across the country for more proactive management

3.48 Following the promulgation of the Law, the Government issued Sub-Decree No 166 on the Minimum Capital Requirement for Casino Operation. Before the Law was enacted, there were no integrated resorts as all existing casino operations were stand-alone operations. For the existing casino operations that were licensed prior to the enactment of the Law, the minimal capital requirement of at least KHR400 billion (approx USD100 million) must be satisfied and implemented in five phases listed below: -

Phase	To take place on	Minimum capital requirement
Phase 1	Year 1	At least KHR50,000,000,000 (approx US$12,500,000)
Phase 2	Year 4	At least KHR100,000,000,000 (approx US$25,000,000)
Phase 3	Year 7	At least KHR200,000,000,000 (approx US$50,000,000)
Phase 4	Year 11	At least KHR300,000,000,000 (approx US$75,000,000)
Phase 5	Year 15	At least KHR400,000,000,000 (approx US$100,000,000)

3.49 While the Government intended to enhance the overall management of the casino sector, this could translate into policy risks to casino operators, as the increasing capital threshold could post a challenge for the existing operators and potential purchasers. The existing operators may need to evaluate their operational and business strategies to ensure the financial stability and compliance with the new regulations. Since new business licenses would not be granted to operators failing to meet the requirements, it may bring impact on casino investments due to increased threshold to secure the business licence for future operation.

Poipet commentary

Poipet overview

3.50 Poipet is a town located in Province of Banteay Meanchey. It holds significant importance due to its location on the border with Thailand, adjacent to the town of Aranyaprathet (Thailand). This positioning renders it a key centre for bilateral trade, tourism and broader economic activity.

3.51 Poipet's economy is heavily reliant on the cross-border exchange of goods and services with Thailand. This trade facilitates local commerce, generates employment opportunities and contributes substantially to the economic growth.

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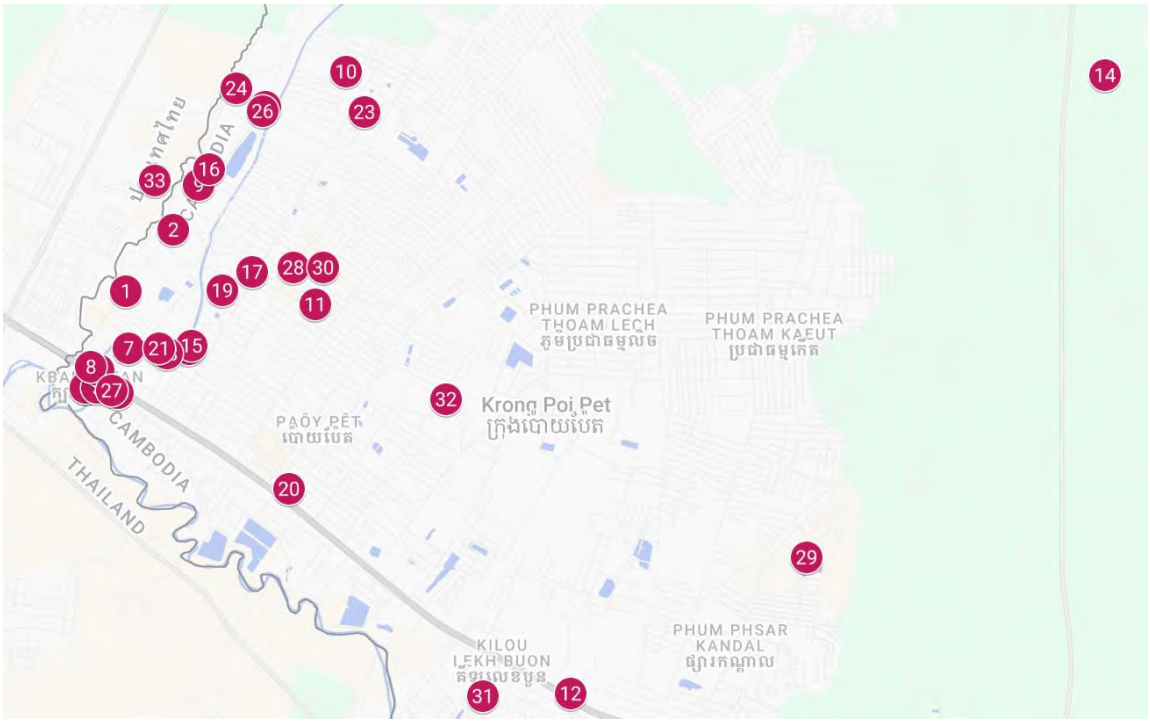
3.52 Poipet attracts a notable volume of tourists, a significant portion of whom are drawn by the town's casinos. It has become a popular destination for gaming, attracting visitors from Thailand, where such activities are subject to greater restrictions. This influx of tourists provides a stimulus to the hospitality sector, encompassing hotels, restaurants and other supporting businesses.

3.53 The casino and online gaming industry constitutes a major economic driver in Poipet. These establishments generate substantial revenue and employ a significant proportion of the city's population. The expansion of the gaming industry has also catalysed the development of supporting infrastructure, including hotels and entertainment venues.

3.54 In Poipet, there are about 33 casinos in the city. Most of them are located in the strip between the Cambodian and Thai passport control counters.

Table 6: Location Map of casinos in Poipet



Source: Commercial Gambling Management Commission of Cambodia / Map data ©2025 Google

No.	Casino
1	Star Vegas
2	Galaxy Resort Casino
3	Casino Holiday Palace
4	Casino Holiday Poipet
5	Grand Diamond City
6	Poipet Resort
7	Tropicana

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No.	Casino
8	Crown Resorts
9	Paramax Casino
10	Gold Planet Casino & Resort
11	Puli Casino
12	Betworld
13	Crystal07
14	O' Neang International Casino
15	Kmh Paradise Tower Casino & Hotel
16	Diamond City Casino & Hotel
17	Istana Casino
18	Good World Casino & Hotel
19	Emerald Poipet
20	Ava Casino Hotel
21	Aurora Casino And Hotel
22	Poipet Palace Plus Casino
23	Royal Fortune 168
24	Star Gold Casino & Hotel
25	Lucky369
26	Empire Casino & Hotel
27	Kaec Poi Pet
28	Phoenix City International Casino & Hotel
29	Orchid Hotel & Rich Casino
30	L.P.P. Sky
31	Marinan International
32	Poi Pet Vegas Casino
33	The Sands

Source: Commercial Gambling Management Commission of Cambodia

3.55 Apart from the casino and online gaming industry, on-going infrastructure projects such as roads and rail networks which improved connectivity and fostered economic expansion in Poipet has also attracted the establishment of Special Economic Zones (SEZs) in Poipet and promoted industrial developments. Currently, Poipet has three operational SEZs namely Royal Group Poipet SEZ, Sanco SEZ and Poi Pet O'Neang SEZ.

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Poipet hotel market commentary

Supply

3.56 Due to the limited transparency and the absence of a publicly accessible centralised government database for hotel inventory in Poipet or Cambodia generally, information regarding hotel room counts and classifications is not readily available. As such, room numbers and other hotel details were compiled through alternative sources including direct inquiries, hotel websites, booking platforms and site visits where possible.

3.57 The Poipet hotel market features a range of budget accommodations, guesthouses, hotels and casino hotels. As at Q1 2025, the current supply of hotels stood at 1,905 keys.

3.58 Tabulated overleaf are the existing notable hotels (with and without casinos) located in Poipet, Banteay Meanchey:-

Existing Hotels

No.	Hotel Name	Type	Approx. Room Count
1	Poipet Resort & Casino	Casino hotel	190
2	Holiday Palace	Casino hotel	383
3	DNA Star Vegas Resort & Club	Casino hotel	199
4	Holiday Poipet	Hotel	182
5	Cambana Poipet Hotel	Hotel	20
6	Hak Huot Hotel I	Hotel	49
7	Hak Huot Hotel II	Hotel	32
8	Pheng Chenda Hotel	Hotel	41
9	V9 Hotel Poipet	Hotel	80
10	Tropicana Resort & Casino	Casino hotel	190
11	Hak Heng Hotel	Hotel	30
12	Betworld Casino & Hotel	Casino hotel	100
13	Rom Residence Poipet	Hotel	3
14	Crown Kenting Sky Casino	Casino hotel	156
15	City Poipet Hotel	Hotel	210
16	Galaxy Plaza Hotel and Casino	Casino hotel	40
Total			**1,905**

Source: Knight Frank Research

3.59 The largest contributors to supply are Holiday Palace with 383 rooms, DNA Star Vegas Resort & Club with 199 rooms (operational rooms) and Tropicana Resort & Casino with 190 rooms and Poipet Resort & Casino with 190 rooms.

3.60 Most of the larger-scaled integrated resorts offer not only gaming operations but also accommodations, Food & Beverage and retail components, catering mostly to short-stay visitors from neighbouring Thailand.

3.61 Whilst smaller hotels such as Rom Residence Poipet (3 rooms), Cambana Poipet Hotel (20 rooms), and Hak Heng Hotel (30 rooms) are likely to target non-gaming guests and also budget-conscious

travellers. The rise of budget hotels may reflect increasing demand for non-casino affiliated accommodation from business or transit travellers.

3.62 A location map overleaf shows the approximate location of each notable hotels and resorts in Poipet:

Existing Hotels



Source: Google Maps

Future Supply

3.63 Further enquiries with the Ministry of Land Management, Urban Planning And Construction (MLMUPC) revealed the following new approvals:-

Existing Hotels

No.	Type	Approx. Room Count	GFA (sq m)	No. of Storey
1	Guest house	108	3,946.49	12
2	Hotel	93	4,414.60	8
3	Casino hotel	78	14,914.50	7
4	Hotel	217	9,937.94	9
3	Hotel	81	5,847.12	11
5	Hotel	166	9,692.81	30
6	Hotel	70	6,134.70	12
7	Hotel	88	5,164.00	9
Total		**901**		

Source: Ministry of Land Management, Urban Planning And Construction (MLMUPC)

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3.64 While detailed specifications for gross floor area (GFA) and number of storeys vary by project and are still subject to change during planning or construction phases, the anticipated developments include both integrated casino resorts and standalone hospitality assets.

3.65 In addition to the existing hotel inventory, a future pipeline comprising an estimated 901 rooms has been identified across several proposed and under-construction developments in Poipet. These future supply additions represent a notable expansion to the current market capacity and reflect increasing investor interest in Poipet's cross-border tourism and gaming economy.

3.66 However, the pace of delivery may be influenced by regional economic conditions, regulatory approvals, and cross-border traffic policies. It is therefore essential to monitor the actual commencement and completion timelines of these projects to assess their near-term impact on hotel room supply and competitive positioning in the Poipet market.

3.67 In addition, Thailand's recent approval of a draft bill to legalise casino gaming marks a significant policy shift that could reshape the regional gaming landscape. If fully enacted, the legalisation of integrated resorts within Thailand would introduce direct competition to Cambodia's border casinos, particularly those in Poipet which rely heavily on Thailand patronage. This development may pose long-term risks to cross-border demand, potentially leading to a decline in visitation and gaming revenue for Cambodian operators. Investors and stakeholders should closely monitor Thailand's legislative progress and its implications for future market dynamics along the Thailand-Cambodia border.

Occupancy rates and average room rates

3.68 Occupancy rates and average room rates adopted in this assessment have been derived from direct walk-in enquiries with hotel operators as well as reference to data obtained from our past valuation assignments involving comparable properties within the vicinity. In the absence of a centralised or publicly available hospitality performance database in Cambodia, this approach represents the most practical method for obtaining indicative operating performance metrics in the local market.

3.69 As at the date of valuation, all the hotels and resorts in Poipet are still not classified by segments. Based on observation, most of the hotels and resorts are in the category of Upper Midscale, Midscale and Economy.

3.70 Hotels and resorts in Poipet that incorporate casino operations, particularly those within the Upper Midscale and Midscale categories, generally achieve occupancy rates in the range of 55% to 70%. In contrast, standalone accommodation-only properties within the Midscale and Economy segments typically record lower occupancy levels, ranging between 50% to 60%.

3.71 When compared to the national average hotel occupancy in Cambodia, which typically ranges between 40% to 50%, Poipet demonstrates relatively stronger performance. This is largely attributed to additional demand drivers such as the online gaming sector, which provides supplementary support to the local accommodation market.

Sector outlook

3.72 The hotel market in Poipet remains closely tied to cross-border visitation, with the majority of demand generated by Thailand nationals entering for short stays, primarily to access the town's casino and entertainment facilities and vice versa, Cambodians crossing border into Thailand for employment, staying over in Poipet before continuing their journey.

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3.73 Whilst there are currently no internationally rated hotels/resorts in Poipet, the existing supply is largely made up of integrated casino hotels offering mid-range accommodation alongside gaming and supported by Food & Beverage facilities. Traditional non-gaming hotels form a smaller portion of the market and typically cater to budget travellers and business-related stays.

3.74 A number of new developments are planned, with approximately 900 rooms expected to be added to the market over the short to medium term, should all the approved developments proceed. This reflects ongoing investor interest in the locality, supported by Poipet's proximity to Thailand and the continued operation of casino licences unavailable across the border.

3.75 However, the outlook is subject to emerging regulatory developments in Thailand, where a draft bill to legalise, integrated resorts has recently been approved. If passed into law, this may alter cross-border travel patterns and pose increased competition for Cambodian border towns, particularly those reliant on gaming revenues.

Commercial space lease

3.76 We have had regard to the following rentals and/or properties available on the market for rent:

Comparable 1 : Located along an unnamed concrete road, off National Road 5, within Commune of Poipet, District of Poipet, Province of Banteay Meanchey, Kingdom of Cambodia



Date:	March 2025
Gross Lettable Area:	48 square metres
Asking Rent:	US$1,000 per mth
Rate:	US$20.83 per sq m
Status:	Available

The comparable is a single-storey lock-up shop. It is available for rent at a rate of US$20.83 per square metre per month of the gross lettable area. Adjustments have been made to reflect an allowance for negotiation and the differences between the Property and the comparable.

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Comparable 2 : Located along an unnamed concrete road, off National Road 5, within Commune of Poipet, District of Poipet, Province of Banteay Meanchey, Kingdom of Cambodia



Date:	March 2025
Gross Lettable Area:	224 square metres
Asking Rent:	US$5,240 per mth
Rate:	US$23.39 per sq m
Status:	Available

The comparable is a four-storey intermediate terraced shophouse. It is available for rent at a rate of US$23.39 per square metre per month of the gross lettable area. Adjustments have been made to reflect an allowance for negotiation and the differences between the Property and the comparable.

Comparable 3 : Located along National Road 5, within Commune of Poipet, District of Poipet, Province of Banteay Meanchey, Kingdom of Cambodia



Date:	March 2025
Gross Lettable Area:	120 square metres
Asking Rent:	US$2,500 per mth
Rate:	US$20.83 per sq m
Status:	Available

The comparable is a single-storey lock-up shop. It is available for rent at a rate of US$20.83 per square metre per month of the gross lettable area. Adjustments have been made to reflect an allowance for negotiation and the differences between the Property and the comparable.

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Comparable 4 : Park Square, located along an unnamed concrete road, off National Road 5, within Commune of Poipet, District of Poipet, Province of Banteay Meanchey, Kingdom of Cambodia		
	Date:	March 2025
	Net Lettable Area:	108 square metres
	Asking Rent:	US$2,500 per mth
	Rate:	US$23.15 per sq m
	Status:	Available
The comparable is a retail lot in Park Square. It is available for rent at a rate of US$23.15 per square metre per month of the net lettable area. Adjustments have been made to reflect an allowance for negotiation and the differences between the Property and the comparable.		

Comparable plan

3.78 A location map of the Property in relation to the comparable evidence is provided below:



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Marketing history of the Property

3.79 We have made enquiries of you as to whether there has been any recent transaction, or agreed sale price relating to the property. You have not revealed to us any information in response to this enquiry. If such information comes to light before the report is finalised, the matter must be referred back to the valuer for further consideration of its effect on Market Value.

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4. Valuation

Valuation Methodology

4.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

4.2 According to the Client's requirement and the nature of the Property – which is an operating casino and hotel complex, we have considered the following approaches to arrive at the valuation of the Property: -

- **Going Concern Basis**: Income Approach – Discounted Cash Flow ("DCF") Analysis and Income Approach – Term & Reversion
- **Vacant Possession Basis**: Income Approach – Discounted Cash Flow ("DCF") Analysis, Income Approach – Term & Reversion and Cost Approach

Income Approach – DCF Analysis (Hotel Portion and Casino Portion)

4.3 We have adopted Income Approach – DCF analysis when assessing the Market Value of the Hotel Portion and Casino Portion of the Property. Income Approach – DCF analysis is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to an operating real property. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the Property. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the reversionary or terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

4.4 We have undertaken the DCF analysis on a yearly basis over a 10-year investment horizon. The net income in the year 11 is capitalized at an appropriate yield over the remaining land lease term. This analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of both income and capital growth over the investment horizon.

Income Approach – Term & Reversion (Retail Portion)

4.5 We have adopted Income Approach – Term & Reversion when assessing the Market Value of the Retail Portion of the Property. In undertaking our valuation of the Property by Income Approach – Term & Reversion, we have valued the Property by capitalising the amount of net income receivable under the current terms of tenancies. Reference would then be made to any potential changes in rental income on reversion. Both the term and reversion are capitalised by the market capitalisation rates, which reflect the rate of investment return, effect of inflation and prospect of rental growth, if any.

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Cost Approach (Casino FF&E)

4.6 Cost Approach has been adopted in assessing the value of Casino FF&E, taking into account the assets' depreciation or loss of value over time and the cost of replacing the assets. Cost Approach values the assets by making reference to the accumulating costs that would be incurred in order to replace or reproduce the assets in their current condition. This approach is generally applied to the valuation of assets through the depreciated replacement cost method.

Market Approach

4.7 We have crosschecked our valuation by Market Approach. We have made reference to the recent market sales evidence which is available in the market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property and the comparable properties such as location, size, age, condition, quality and view in arriving at our opinion of the market value.

Valuation Considerations – Going Concern Basis

4.8 For Going Concern Basis, it is assumed that the licenses for hotel and casino operations were valid and the Property will continue to be operated under the current brand name on an “As Is” basis as a casino cum hotel/resort with 39 table games, 532 slot machines and 199 hotel rooms being in use and operational as at the Valuation Date.

Income Approach – DCF Analysis (Hotel Portion and Casino Portion)

4.9 When determining the key parameters in our DCF Analysis, we have mainly considered the hotel and casino market in Poipet as well as historical trading data and budget provided by Donaco.

4.10 **Market Considerations:** The hotel and casino sector in Poipet remains largely dependent on Thailand cross-border patronage, which has gradually recovered following the full reopening of international borders. While overall tourism activity remains subdued relative to pre-pandemic levels, the return of Thailand visitors has supported a moderate rebound in occupancy and gaming revenue for integrated resorts such as DNA Star Vegas. In the short term, stable border access and currency exchange differentials continue to encourage outbound spending from Thailand directly benefitting gaming-focused hospitality properties.

4.11 Over the medium to long term, the outlook for the Poipet hotel and casino market will be influenced by regional policy developments, particularly the potential legalization of integrated resorts in Thailand. Should this materialize, it may gradually erode Poipet's competitive advantage as a cross-border gaming hub. Nevertheless, ongoing infrastructure improvements and the continued operation of online gaming-related businesses in the area are expected to provide some level of demand resilience for properties such as DNA Star Vegas.

4.12 **Historical Trading Data and Budget:** Our profit and loss projections have been prepared with reference to historical trading data, budget provided by Donaco, market comparables and operator feedback obtained through direct enquiries. As the Property is positioned within a border-driven hospitality and gaming market, initial operating performance is expected to reflect moderate occupancy and average room rates which is consistent with prevailing conditions in Poipet.

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4.13 We have assumed that performance will improve progressively as market fundamentals stabilise and cross-border visitation patterns normalise. Ancillary contributions from online gaming activities and repeat patronage from Thailand are also expected to support revenue growth.

4.14 **Capitalization Rate Analysis**: The capitalisation rate adopted under Going Concern Basis reflects the elevated operational and regulatory risk associated with gaming segment, especially in frontier market location such as Poipet, Banteay Meanchey, Cambodia. This higher capitalisation rate quantifies volatility in gaming revenue, reliance on cross-border traffic, and license renewal uncertainty.

4.15 As hotel sales and listing information are limited in Poipet, we made reference to hotel sales and listing information in other provinces in Cambodia when determining the capitalization rate. The estimated capitalization rates shown below are before adjustments to show the discrepancies between the Property and the comparables and they should not be applied directly before any appropriate adjustments. Summaries of this information are as follows:

Property Location	Commune	District	Province	Segment	No. of Rooms	Tenure	Status	Asking Date	Estimated Cap Rate (%)
National Road 6	Svay Dangkum	Krong Siem Reap	Siem Reap	4-star	150	Freehold	Vacant	Q2 2025	9.5% - 10.5%
National Road 6	Svay Dangkum	Krong Siem Reap	Siem Reap	4-star	140	Freehold	Operational	Q2 2025	7.5% - 8.5%
Angkor Pets Road, off National Road 6	Svay Dangkum	Krong Siem Reap	Siem Reap	3-star	43	Freehold	Operational	Q2 2025	7.0% - 8.0%
Sombai Road, off National Road 6	Sala Kamraeuk	Krong Siem Reap	Siem Reap	3-star	38	Freehold	Operational	Q2 2025	7.0% - 8.0%
Thmor Meas Road, off National Road 6	Sala Kamraeuk	Krong Siem Reap	Siem Reap	4-star	31	Freehold	Operational	Q2 2025	4.5% - 5.5%
Bun Rany Hun Sen Street, off National Road 6	Krabei Riel	Krong Siem Reap	Siem Reap	3-star	21	Freehold	Operational	Q2 2025	6.0% - 7.0%

4.16 In determining the capitalization rate, we have mainly considered location, scale, positioning, infrastructure, lease termination risk, liquidity and other material factors.

4.17 In considering the appropriateness of the information set out in the table above, we note:-

- The Siem Reap properties are freehold tenure whereas Star Vegas is leasehold tenure;
- The cap rates listed for the Siem Reap properties are asking rates rather than confirmed sales transactions;
- The Siem Reap locations are situated in a prime tourist destination known for cultural landmarks like Angkor Wat, attracting a diverse and steady stream of international visitors, while Poipet is primarily a border town reliant on casino tourism;
- The income streams for Siem Reap properties are generally considered less volatile due to their reliance on the tourism sector, whereas Star Vegas' earnings depend on gambling revenue and faces threats like Thailand's potential casino legalisation;
- The Siem Reap properties operate solely as hotels, with no exposure of casino operations;
- The pool of buyers for a hotel relative to the pool of buyers comfortable with the governance and compliance obligations associated with owning and operating a casino, and who have the operational capability to run such a business;
- The physical distance of approximately 150 km between Siem Reap and Poipet further highlights their distinct market contexts;
- Despite these differences, the Siem Reap hotel properties remain the best available comparables due to limited data in Poipet.

4.18 **Discount Rate Analysis**: The discount rate used in the DCF analysis reflects the rates of return being required or expected on similar properties in the market. A discount rate of 26.0%, has been adopted in the cash flow model to reflect the location, elevated operational and regulatory risk associated with

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gaming segment and cash flow risk of the Property, and the general rate of return in the Cambodia casino/hospitality market.

4.19 As a significant portion of the revenue is coming from the casino portion, we have considered additional risk factors which may have an impact on the operation of Star Vegas. Also, the potential legislation to be introduced regarding the legalizing of casino operations within integrated entertainment complexes in Thailand would have an adverse effect on the operation and cash flow of Star Vegas. Furthermore, in response to illegal online gambling and scams, Thai authorities have begun cutting electricity and internet along the Thai-Cambodian border, including Poipet. These actions have already disrupted operations at Star Vegas and may persist or escalate, further affecting business continuity.

DCF parameters

4.20 Having considered the above, we considered the parameters and key assumptions adopted in our DCF analysis to be reasonable.

4.21 The key parameters adopted in the DCF analysis for Casino Portion are set out as follows:-

Key Parameters	Adopted	Remarks
No of Table Game and Slot Machine	Table Games: 39 Slot Machines: 532	Provided by Donaco
Revenue	**Table Game:** US$309/unit/day (approx) in Year 1 **Slot Machine:** US$57/unit/day (approx) in Year 1 **<u>Revenue Distribution</u>** **Table Game:** 29% (approx) of total gaming revenue **Slot Machine:** 71% (approx) of total gaming revenue	Exclusive of commission, profit sharing and taxes. We have made reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Long-term Growth Rate	1.0% per annum	Based on historical and forecasted Profit and Loss statement (P&L) provided by Donaco and the market condition.

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Key Parameters	Adopted	Remarks
Long-term Operating Expenses	38% (approx) of total gaming revenue	Inclusive of gaming cost, marketing cost, staff cost, property cost, travel cost, professional & legal cost, general & administrative cost and telecommunication cost. With reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Fixed Charges	15% (approx) of total gaming revenue	Inclusive of property insurance, CGMC gaming tax, land lease rental and FF&E reserves. With reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Long-term Gross Operating Profit Margin	62% (approx) of total gaming revenue	With reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Long-term Net Operating Income Margin	47% (approx) of total gaming revenue	
Terminal Capitalisation Rate	25% (approx)	Please refer to para 4.14 to para 4.17
Discount Rate	26% (approx)	Please refer to para 4.18 to para 4.19

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4.22 The key parameters adopted in the DCF analysis for Hotel Portion are set out as follows:-

Key Parameters	Adopted		Remarks
Room Count	199		Provided by Donaco
Average Daily Room Rate ("ADR") (approx)	Year 1	US$40	With reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
	Year 2	US$40	
	Year 3	US$41	
	Year 4	US$41	
	Year 5	US$42	
Occupancy (approx)	Year 1	50%	Based on historical and forecasted Profit and Loss statement (P&L) provided by Donaco and the market condition.
	Year 2	52%	
	Year 3	54%	
	Year 4	56%	
	Year 5	58% (stabilized)	
RevPAR (USD/night/key) (approx)	Year 1	US$20	With reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
	Year 2	US$21	
	Year 3	US$22	
	Year 4	US$23	
	Year 5	US$24	
Long-term Growth Rate	1% per annum		Based on historical and forecasted Profit and Loss statement (P&L) provided by Donaco and the market condition.
Gross Revenue	<u>Hotel Revenue Distribution (approx)</u> • Room Revenue: 65% in Year 1; • Food & Beverage Revenue: 20% in Year 1; • Other Revenue (all other operated department): 15% in Year 1.		With reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.

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Key Parameters	Adopted		Remarks
Operating Expenses	58% (approx) of total hotel revenue in Year 1		Inclusive of rooms cost, F&B cost, other operating cost, general & administrative cost, sale & marketing cost, property operation & maintenance cost and utility cost. With reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Fixed Charges	17% (approx) of total hotel revenue		Inclusive of tax, land lease rental, insurance & general and FF&E reserves. With reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
Gross Operating Profit Margin (approx)	Year 1	42%	With reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
	Year 2	44%	
	Year 3	45%	
	Year 4	47%	
	Year 5	49%	
Net Operating Income Margin (approx)	Year 1	25%	With reference to the historical and forecasted Profit and Loss statement (P&L) provided by Donaco.
	Year 2	26%	
	Year 3	28%	
	Year 4	30%	
	Year 5	31%	
Terminal Capitalization Rate	25%		Please refer to para 4.14 to para 4.17
Discount Rate	26%		Please refer to para 4.18 to para 4.19

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Income Approach – Term & Reversion (Retail Portion)

4.23 **Market Considerations:** In estimating the market rent of the Retail Portion, reference was also made to rental transaction that are available in the market. The unit rents shown below are before adjustments to show the discrepancies between the Retail Portion of the Property and the rental asking comparables and they should not be applied directly before any appropriate adjustments.

4.24 Summaries of these rental asking comparables are highlighted below:-

Comparable	Comp 1	Comp 2	Comp 3	Comp 4
Address	Located along an unnamed concrete road, off National Road 5	Located along an unnamed concrete road, off National Road 5	Located along an unnamed concrete road, off National Road 5	Park Square, located along an unnamed concrete road, off National Road 5
Village / District	Commune of Poipet, District of Poipet	Commune of Poipet, District of Poipet	Commune of Poipet, District of Poipet	Commune of Poipet, District of Poipet
Type	A single-storey lock-up shop	A four-storey intermediate terraced shophouse	A single-storey lock-up shop	A retail lot in Park Square
Lettable Area (sq m) (approx)	48	224	120	108
Asking Rent Per Month (US$)	US$1,000	US$5,240	US$2,500	US$2,500
Rate Per Month (US$) (approx)	US$21 per sq m	US$23 per sq m	US$21 per sq m	US$23 per sq m

Source: Knight Frank

4.25 **Void Allowance:** A void is a percentage deduction made for the possibility of a vacancy or part vacancy occurring within the building, and the loss of income derived while this area is unoccupied. The adopted void period also takes into consideration the condition of the Property and capital expenditure required to reinstate the Property into a tenantable repair.

4.26 **Outgoings Allowance:** We have based our calculation on non-recoverable outgoings an allowance of the total rental to cover for legal, expenses, accounting expenses, property taxes which is normally paid by the landlord.

Term & Reversion Parameters

4.27 Having considered the above, we considered the parameters and key assumptions adopted in our Term & Reversion for Retail Portion to be reasonable.

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4.28 The key parameters adopted in the Term & Reversion for the Retail Portion are set out as follows: -

Key Parameters	Adopted	Remarks
Leasable area (approx)	6,482 sq m	With reference to the tenancy schedule provided by Donaco
Range of Market Rent (US$/sq m/month) (approx)	US$1 – US$30	With reference to market comparables
Void Allowance	20% of total rental income	Please refer to para 4.25
Outgoings Allowance	10% of total rental income	Inclusive of legal expenses, accounting expenses and property taxes. Please refer to para 4.26
Term Capitalization Rate	24%	Please refer to para 4.14 to para 4.17
Reversion Capitalization Rate	25%	Please refer to para 4.14 to para 4.17

Valuation on Going Concern Basis by Income Approach

4.29 Considering the above, we have arrived at our opinion of Market Value of the Property on Going Concern Basis by Income Approach, which was in sum of **US$32,870,000**. This is equivalent to an overall average unit rate of approximately US$502 per sq m on total gross floor area of the Property as at the Valuation Date.

4.30 The valuation calculations are attached at **Appendix 5**.

Market Approach – Comparable Evidence

4.31 After arriving at our valuation of the Property on Going Concern Basis, we have made reference to relevant market information as available in the market. Summaries of these transactions are highlighted below: -

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Relevant hotel sales asking

Development	Para Winsor Casino (ceased operation)
Address	Located along an unnamed concrete road (a main arterial thoroughfare), off National Road 5
Village / District	*Village of Kbal Spean 1, Commune of Poipet, District of Poipet*
Completion year	2005
No of guestrooms	240
Asking (US$) (approx)	US$27,000,000
Value per hotel guestroom (US$) (approx)	US$112,500

Source: Knight Frank

Valuation Considerations – Vacant Possession Basis

4.32 For Vacant Possession Basis, it is assumed that the Property to be a 383-room hotel with the contents, fixtures, fittings and other guest facilities fully available therein to the hotel guest and the casino is no longer in operation. The space previously utilized for casino operations is assumed to be available for alternative use or lease to third-party tenants (the "Repurposed Area") with potential for additional rental income. The estimated values of the existing Casino FF&E are also reflected in our valuation.

Income Approach – DCF Analysis (Hotel Portion)

4.33 When determining the key parameters in our DCF Analysis, we have mainly considered the market condition and operations of hotels with similar positioning in Poipet.

4.34 **Market Considerations:** The hotel sector in Poipet remains largely dependent on Thailand cross-border patronage, which has gradually recovered following the full reopening of international borders. While overall tourism activity remains subdued relative to pre-pandemic levels, the return of Thailand visitors has supported a moderate rebound in occupancy for integrated resorts such as DNA Star Vegas. In the short term, stable border access and currency exchange differentials continue to encourage outbound spending from Thailand directly benefitting hospitality properties.

4.35 Over the medium to long term, the outlook for the Poipet hotel market will be influenced by regional policy developments, particularly the potential legalization of integrated resorts in Thailand. Should this materialize, it may gradually erode Poipet's competitive advantage as a cross-border gaming hub. Nevertheless, ongoing infrastructure improvements and the continued operation of online gaming-related businesses in the area are expected to provide some level of demand resilience for properties such as DNA Star Vegas.

4.36 **Historical Trading Data and Budget**: Under the assumption of vacant possession, we have modelled the property as if it were to be taken over by a new operator but with the full 383 room count without

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the benefit of existing branding, systems or historical trading momentum. As such, we have assumed a conservative initial performance level, with lower occupancy and average daily rates (ADR) in the early years, reflecting the time typically required for a new entrant to establish market presence, reconfigure operations and build up guests.

4.37 In our projections, we have allowed for a ramp-up period of approximately five years before reaching a stabilised trading position, in line with general market expectations for repositioned hospitality assets in border-driven markets such as Poipet. Performance assumptions have also been informed by regional comparables and indicative operating benchmarks gathered from walk-in enquiries and previous valuation assignments.

4.38 **Capitalization Rate and Discount Rate Analysis**: For the capitalisation rate and discount rate adopted under Vacant Possession Basis, we assumed that the casino is no longer in operation, and the space utilized for casino operations is available for alternative use or lease to third-party tenants. As the space is repurposed as retail which supplements the hotel operations, risk profile can be reduced substantially supported by improved income reliability and asset repositioning away from gaming risk.

4.39 As hotel sales and listing information are limited in Poipet, we made reference to hotel sales and listing information in other provinces in Cambodia when determining the capitalization rate. The estimated capitalization rates shown below are before adjustments to show the discrepancies between the Property and the comparables and they should not be applied directly before any appropriate adjustments. Summaries of this information are as follows:

Property Location	Commune	District	Province	Segment	No. of Rooms	Tenure	Status	Asking Date	Estimated Cap Rate (%)
National Road 6	Svay Dangkum	Krong Siem Reap	Siem Reap	4-star	150	Freehold	Vacant	Q2 2025	9.5% - 10.5%
National Road 6	Svay Dangkum	Krong Siem Reap	Siem Reap	4-star	140	Freehold	Operational	Q2 2025	7.5% - 8.5%
Angkor Pets Road, off National Road 6	Svay Dangkum	Krong Siem Reap	Siem Reap	3-star	43	Freehold	Operational	Q2 2025	7.0% - 8.0%
Sombai Road, off National Road 6	Sala Kamraeuk	Krong Siem Reap	Siem Reap	3-star	38	Freehold	Operational	Q2 2025	7.0% - 8.0%
Thmor Meas Road, off National Road 6	Sala Kamraeuk	Krong Siem Reap	Siem Reap	4-star	31	Freehold	Operational	Q2 2025	4.5% - 5.5%
Bun Rany Hun Sen Street, off National Road 6	Krabei Riel	Krong Siem Reap	Siem Reap	3-star	21	Freehold	Operational	Q2 2025	6.0% - 7.0%

4.40 In determining the capitalization rate, we have mainly considered location, scale, positioning, infrastructure, lease termination risk, liquidity and other material factors.

DCF parameters

4.41 Having considered the above, we considered the parameters and key assumptions adopted in our DCF analysis to be reasonable.

4.42 The key parameters adopted in the DCF analysis for the Hotel Portion are set out as follows: -

Hotel	Key Adopted Parameters		Remarks
Room Count	383		Provided by Donaco
Average Daily Room Rate ("ADR") (approx)	Year 1	US$45	With reference to operations of hotels with similar positioning and the market condition.
	Year 2	US$46	
	Year 3	US$47	

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Hotel	Key Adopted Parameters		Remarks
	Year 4	US$48	
	Year 5	US$49	
Occupancy (approx)	Year 1	35%	With reference to operations of hotels with similar positioning and the market condition.
	Year 2	40%	
	Year 3	45%	
	Year 4	50%	
	Year 5	55% (stabilized)	
RevPAR (USD/night/key) (approx)	Year 1	US$16	With reference to operations of hotels with similar positioning.
	Year 2	US$18	
	Year 3	US$21	
	Year 4	US$24	
	Year 5	US$27	
Long-term Growth Rate	2% per annum		With reference to operations of hotels with similar positioning and the market condition.
Gross Revenue	<u>Hotel Revenue Distribution (approx)</u> • Room Revenue: 65% in Year 1; • Food & Beverage Revenue: 20% in Year 1; • Other Revenue (all other operated department): 15% in Year 1.		With reference to operations of hotels with similar positioning.
Operating Expenses	58% (approx) of total hotel revenue in Year 1		Inclusive of rooms cost, F&B cost, other operating cost, general & adminstrative cost, sale & marketing cost, property operation & maintenance cost and utility cost. With reference to operations of hotels with similar positioning.

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Hotel	Key Adopted Parameters		Remarks
Fixed Charges	30% (approx) of total hotel revenue in Year 1		Inclusive of tax, land lease rental, insurance & general and FF&E reserves. With reference to operations of hotels with similar positioning.
Gross Operating Profit Margin (approx)	Year 1	42%	With reference to operations of hotels with similar positioning.
	Year 2	44%	
	Year 3	46%	
	Year 4	47%	
	Year 5	49%	
Net Operating Income Margin (approx)	Year 1	12%	With reference to operations of hotels with similar positioning.
	Year 2	15%	
	Year 3	18%	
	Year 4	21%	
	Year 5	23%	
Terminal Capitalisation Rate	15%		Please refer to para 4.38 to para 4.40
Discount Rate	17%		Please refer to para 4.38 to para 4.40

Income Approach – Term & Reversion (New Retail Portion)

4.43 When assessing the Market Value of the Casino Portion on Vacant Possession basis, we have assumed that the casino is no longer in operation and the Repurposed Area is available for alternative use or lease to third-party tenants with potential for additional rental income. Under this assumption, the total leasable area increased from about 6,482 sq m to 35,511 sq m, considering the existing Retail Portion and the Repurposed Area (collectively referred to as the "New Retail Portion").

4.44 **Market Conditions:** In estimating the market rent of the New Retail Portion, reference was also made to rental transaction that are available in the market. The unit rents shown below are before adjustments to show the discrepancies between the New Retail Portion of the Property and the rental asking comparables and they should not be applied directly before any appropriate adjustments.

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4.45 Summaries of these rental asking comparables are highlighted below:-

Comparable	Comp 1	Comp 2	Comp 3	Comp 4
Address	Located along an unnamed concrete road, off National Road 5	Located along an unnamed concrete road, off National Road 5	Located along an unnamed concrete road, off National Road 5	Park Square, located along an unnamed concrete road, off National Road 5
Village / District	Commune of Poipet, District of Poipet	Commune of Poipet, District of Poipet	Commune of Poipet, District of Poipet	Commune of Poipet, District of Poipet
Type	A single-storey lock-up shop	A four-storey intermediate terraced shophouse	A single-storey lock-up shop	A retail lot in Park Square
Lettable Area (sq m) (approx)	48	224	120	108
Asking Rent Per Month (US$)	US$1,000	US$5,240	US$2,500	US$2,500
Rate Per Month (US$) (approx)	US$21 per sq m	US$23 per sq m	US$21 per sq m	US$23 per sq m

Source: Knight Frank

4.46 **Void Allowance:** A void is a percentage deduction made for the possibility of a vacancy or part vacancy occurring within the building, and the loss of income derived while this area is unoccupied. The adopted void period also takes into consideration the condition of the Property and capital expenditure required to reinstate the Property into a tenantable repair.

4.47 **Outgoings Allowance:** We have based our calculation on non-recoverable outgoings an allowance of the total rental to cover for legal expenses, accounting expenses, property taxes which is normally paid by the landlord.

Term & Reversion Parameters

4.48 Having considered the above, we considered the parameters and key assumptions adopted in our Term & Reversion for the New Retail Portion to be reasonable.

4.49 The key parameters adopted in the Term & Reversion for the New Retail Portion are set out as follows: -

Key Parameters	Adopted	Remarks
Leasable area (approx)	35,511 sq m	Provided by Donaco Inclusive of the existing Retail Portion and the Repurposed Area
Range of Market Rent (US$/sq m/month) (approx)	US$3 – US$30	With reference to market comparables

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Key Parameters	Adopted	Remarks
Void Allowance	30% of total rental income	Please refer to para 4.46
Outgoings Allowance	10% of total rental income	Inclusive of legal, expenses, accounting expenses and property taxes. Please refer to para 4.47
Term Capitalization Rate	14%	Please refer to para 4.38 to para 4.40
Reversion Capitalization Rate	15%	Please refer to para 4.38 to para 4.40

Valuation on Vacant Possession Basis by Income Approach

4.50 Considering the above, we have arrived at our opinion of Market Value of the Property on Vacant Possession Basis by Income Approach, which was in sum of **US$16,910,000**. This is equivalent to an overall average unit rate of approximately US$258 per sq m on total gross floor area of the Property as at the Valuation Date.

4.51 The valuation calculations are attached at **Appendix 5**.

SWOT analysis

4.52 SWOT (strengths, weaknesses, opportunities, and threats) analysis is a framework used to evaluate the Property's competitive position. The SWOT analysis is summarized as follows: -

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Strengths	Weaknesses
• Positioned at the Thailand-Cambodia border, the resort benefits from high foot traffic from Thailand nationals crossing into Poipet for short-term gaming and entertainment purposes; • The hotel comprises a substantial number of hotel rooms (approx. 383), casino facilities and various F&B and leisure outlets, supporting multiple revenue streams and enhancing guest capture; • Fronts onto an unnamed concrete road which is also the main arterial thoroughfare serving Poipet town centre with high traffic volume; • The property comes with a relatively high occupancy rate; and • The immediate surrounding is one of the main tourist belts in Poipet and within walking distance to various public amenities such as supermarkets and marts.	• Traffic congestion accessing or exiting the locality of the Property at peak travel times; • Portions of the hotel and casino may require capital reinvestment or refurbishment to remain competitive with newer developments in Poipet; • Unlike regional destinations with broader tourism appeal, Poipet lacks strong non-gaming demand drivers, which constrains growth beyond the gaming industry; • The hotel's occupancy and casino turnover are highly dependent on border accessibility and Thailand patronage, exposing it to external policy and mobility risks; • Existing hotel facilities and F&B offerings are not operational; • The property is held on a monthly payable rental lease which permits either the Lessor or Lessee to yield-up the premises upon request; • Infrastructure improvements such as roads, draining and utilities are still on-going; and • Lack of existing infrastructure, amenities and venues.
Opportunities	**Threats**
• The rising online gaming industry may benefit the hotel, which may provide additional income streams and support occupancy; • Adequate refurbishment or repositioning may assist the property to capture a broader guest profile or attract more premium patrons;	• The ongoing global macroeconomic and geopolitical headwinds weighing down in market sentiment; • The recently approved draft gaming bill in Thailand presents a potential long-term threat to Poipet's competitive advantage as a cross-border gaming destination; • Shortfall of public transportation;

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• Limited supply of similar properties within the same locality and along the same stretch of main road; • Cambodia's strong and stable economic growth and also increasing incomes per capita; • Infrastructure development anticipated over a long term period in Cambodia; • Political stability after election with newly appointed Prime Minister and new cabinet line-up; and • Increase in Foreign Direct Investment (FDI).	• Poor infrastructure, i.e. general road conditions; • Infrastructure improvements not being implemented; and • The market shows signs of softening as a result of global trade slow down cause by the high inflationary environment initiated by the pandemic and exacerbated by the geopolitical tensions in Europe and Asia.

Valuation Bases

Market Value

4.53 Market Value is defined within RICS Valuation - Global Standards / IVS as:

"*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*."

Market Value is also understood as the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Valuation Date

Valuation Date

4.54 The Valuation Date is 17 March 2025.

4.55 We are not aware of any factors that would materially impact our opinion of the Market Value of the Property between the Valuation Date and the date of this report.

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5. Property risk analysis

General comments

General comments

5.1 In this section of our report we summarise the property related risks which we have identified as part of our valuation report and which we consider should be drawn to your attention. This summary should not be taken to be exhaustive and must be considered in conjunction with the remainder of the report. Nothing in this section should be construed as being a recommendation of taking any particular course of action.

Risks relating to the property

Legal Title

5.2 We have only reviewed the land register document but have not examined the relevant title deeds of the Property. Advice should be sought from your legal advisor if there is any issue relating to the legal title of the Property.

Flooding

5.3 From our enquiries, we have ascertained that the property is within an indicative floodplain and that there is therefore a moderate flood risk as a result of heavy rain and poor sewage infrastructure which is typical throughout Cambodia. Our valuation is based on the assumption that the Property is unaffected. However, we are not experts in this field and we recommend seeking professional advice from relevant experts.

Obsolescence

5.4 As with all buildings, there is a risk of physical, functional and economic obsolescence over time. While the property appears to be in operational condition at the time of our inspection, portions of the hotel and supporting infrastructure may require future refurbishment to remain competitive with newer establishments. This includes upgrades to room interiors, mechanical systems, facilities and IT infrastructure to meet evolving guest expectations and operator standards.

Statutory Licences

5.5 The continued operation of the Property, particularly where it includes a casino component, is dependent on various statutory licences and approvals, including but not limited to hotel operating permits, food & beverage licences and gaming licences. Our valuation is provided on the assumption that all necessary permits and approvals are in place and can be renewed or transferred without material restriction.

Economic & property market risks

Political risks

5.6 Although relatively stable, Cambodia maintains a certain level of political risk.

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Macro-economic risks

5.7 The world economy is experiencing an economic headwind initiated by the pandemic and compounded by ongoing geopolitical tensions in Europe and Asia that has led to a high inflationary environment.

5.8 As a result of increasing oil and gas prices, the on-going Russia-Ukraine war weighed down on market sentiment and pushed inflation to a decade-long high during 2022 and 2023. The global outlook remains challenging in 2025.

Investor demand

5.9 Investors and businessmen from China were previously pouring in foreign direct investments into the country during pre-covid. Incorporated within part of the recovery plans over post-covid was these highly anticipated investments which plummeted, partly due to the global economic headwinds which is then exacerbated by the Russia-Ukraine war and now the Israel-Hamas armed conflict.

5.10 All property owners in Cambodia remained moderately flexible with asking prices and rents.

Property cost

5.11 An unusually higher priced property which translates to large capital investment is likely to attract a limited number of buyers or investors and this may hamper liquidity of the Property during disposal. All property owners in Cambodia remained moderately flexible with asking prices and rents.

5.12 Therefore, the Property may take an unusually long time to dispose.

Availability of finance

5.13 As a highly-dollarized economy, any decisions on the US monetary policy bears a direct impact in Cambodia's liquidity and economy.

5.14 To cushion the global inflation, US's Federal Reserve began tightening its monetary policy by increasing interest rates, thus leading to a rise in cost of borrowing and a liquidity crunch in Cambodia on a nationwide scale.

5.15 Most financial institutions including microfinances were initially able to absorb the rise in cost. However, as the rates kept rising through 2022. By the first half of 2023, the Federal Reserve's interest rate was already at decade-long high which prompted many financial institutions, unable to absorb further costs, to begin reducing loan disbursements and increasing deposit interest rates to improve their liquidity and buffer.

5.16 In addition, the rising cost of financing correlated to the rising cost of late repayments and non-performing loan which tighten bank's lending appetite even further.

5.17 As at Q4 2024, the latest revision of the Federal Reserve (Fed) lowered interest rates may stimulate investment and consumption, potentially boosting sectors like real estate, construction and consumer spending.

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Income risks

Cashflow

5.18 The income from trading entities is exposed to changes in supply and demand, operational risks and changes in economic conditions. The trading performance of the hotel will impact on the market value of the hotel and the affordability and sustainability of the market rent.

5.19 Whilst we have made key assumptions that the hotel will achieve a gradual build up in trading performance and requiring 5 years to reach a stabilised trading position. Should our assumptions in this regard ultimately not reflect market reality, then there could be a material impact on our opinions of value.

Valuation risks

Quality / quantity of comparables

5.20 Due to the lack of transparency and limited transactional data within the market, in certain instances, we have had to rely on asking prices and anecdotal evidence of transactions. We have assumed that all asking prices and/or sales prices provided are true and correct and are/will be of arm's length transactions between a willing buyer and willing seller, whereby both parties have/will have acted knowledgeably, prudently and without compulsion.

5.21 Key variables for adjustments include location, accessibility, frontage, size (quantum adjustment), buildings/facilities erected thereon, terrain, tenure, land use, restriction, etc.

Valuation Certainty

5.22 Due to the lack of transparency with market data and the highly localised nature of demand in Poipet, there is an inherent degree of valuation uncertainty. This is further influenced by the dual-use nature of the asset (hotel and gaming) and emerging external risks such as regulatory changes in Thailand. While every effort has been made to use best available data and sound methodology, the value should be interpreted within the context of these market limitations.

Reversionary Value Uncertainty

5.23 Predicting the reversionary value at the end of the lease is inherently uncertain. Economic conditions, zoning regulations and market trends could be vastly different from what is currently projected. Any changes in land use regulations or the surrounding environment could significantly impact the future value.

Methodology

5.24 You need to be aware that the investment method requires the input of a large amount of data, which are rarely absolute or precise, together with the making of a large number of assumptions. Small changes in any of the inputs can cumulatively lead to a large change in the site value. Some of the inputs can be assessed with reasonable objectivity, but others require a high degree of professional judgement.

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Sensitivity analysis

5.25 The DCF analysis requires the input of a large amount of data, which are rarely precise, together with the making of a large number of assumptions. Small changes in any of the inputs can cumulatively lead to a large change in the property/site value. Some of the inputs can be assessed with reasonable objectivity, but others require a high degree of professional judgement. A common technique used to illustrate this variation is known as sensitivity analysis.

5.26 Sensitivity analysis shows the degree to which the reported value varies when the chosen inputs into the calculation change and should be used to assist in assessing potential risks associated with a valuation, particularly when the valuation inputs are uncertain for any reason.

Conclusion of Market Value on Going Concern Basis

5.27 The following sensitivity analysis relates to the Market Value on Going Concern Basis we have reported:-

Hotel Portion

Capitalization Rate	Discount Rate				
US$ Thousand	25.50%	25.75%	26.00%	26.25%	26.50%
24.50%	$3,185	$3,150	$3,120	$3,085	$3,055
24.75%	$3,180	$3,145	$3,115	$3,080	$3,050
25.00%	$3,175	$3,140	**$3,110**	$3,080	$3,045
25.25%	$3,170	$3,135	$3,105	$3,075	$3,040
25.50%	$3,165	$3,130	$3,100	$3,070	$3,035

Casino Portion

Capitalization Rate	Discount Rate				
US$ Thousand	25.50%	25.75%	26.00%	26.25%	26.50%
24.50%	$28,190	$27,940	$27,700	$27,460	$27,220
24.75%	$28,160	$27,920	$27,670	$27,430	$27,200
25.00%	$28,140	$27,890	**$27,650**	$27,410	$27,170
25.25%	$28,110	$27,870	$27,620	$27,390	$27,150
25.50%	$28,090	$27,840	$27,600	$27,360	$27,130

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Retail Portion

Reversion Capitalization Rate	Term Capitalization Rate				
US$ Thousand	23.50%	23.75%	24.00%	24.25%	24.50%
24.50%	$2,150	$2,150	$2,150	$2,150	$2,150
24.75%	$2,130	$2,130	$2,130	$2,130	$2,130
25.00%	$2,110	$2,110	**$2,110**	$2,110	$2,110
25.25%	$2,090	$2,090	$2,090	$2,090	$2,090
25.50%	$2,070	$2,070	$2,070	$2,070	$2,070

5.28 Considering the above, we are of the opinion that the Market Value of the Property on Going Concern Basis is in the range of **US$32,235,000 to US$33,525,000** as at the Valuation Date.

Conclusion of Market Value on Vacant Possession Basis

5.29 The following sensitivity analysis relates to the Market Value on Vacant Possession Basis we have reported:-

Hotel Portion

Capitalization Rate	Discount Rate				
US$ Thousand	16.50%	16.75%	17.00%	17.25%	17.50%
14.50%	$7,800	$7,680	$7,560	$7,450	$7,340
14.75%	$7,750	$7,630	$7,520	$7,400	$7,290
15.00%	$7,700	$7,590	**$7,470**	$7,360	$7,250
15.25%	$7,660	$7,540	$7,430	$7,320	$7,210
15.50%	$7,610	$7,500	$7,390	$7,280	$7,170

New Retail Portion

Reversion Capitalization Rate	Term Capitalization Rate				
US$ Thousand	13.50%	13.75%	14.00%	14.25%	14.50%
14.50%	$9,750	$9,750	$9,750	$9,750	$9,750
14.75%	$9,600	$9,600	$9,600	$9,600	$9,600
15.00%	$9,440	$9,440	**$9,440**	$9,440	$9,440
15.25%	$9,290	$9,290	$9,290	$9,290	$9,290
15.50%	$9,140	$9,140	$9,140	$9,140	$9,140

5.30 Considering the above, we are of the opinion that the Market Value of the Property on Vacant Possession Basis is in the range of **US$16,310,000 to US$17,550,000** as at the Valuation Date.

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Appendix 1 Instruction documentation

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9 April 2025

Dear Cyrus,

Engagement Agreement - Valuation Report – Donaco International Limited

This letter is to confirm our instructions to you on the services we are requesting you to provide.

We have been engaged by Donaco International Limited (‘**Donaco**’ or ‘**the Company**’) to prepare an Independent Expert’s Report (‘**Our Report**’) for inclusion within a Scheme Booklet to be provided to the non-associated shareholders (‘**the Non-Associated Shareholders**’) of the Company. The Scheme Booklet is to provide the Non-Associated Shareholders with the information they require to make an informed decision on a proposed transaction. This transaction is the proposed acquisition by On Nut Road Limited (‘**ONR**’) of all Donaco shares that it does not already own by way of a scheme of arrangement (‘**the Proposed Transaction**’).

Our Report is required to provide an opinion on whether the offer associated with the Proposed Transaction is fair and reasonable to, and in the best interests of, the Non-Associated Shareholders. Given the nature of the assets of Donaco, we require a Specialist to assist us with the market valuation of some of Donaco’s key assets, to be used in our opinion (‘**Your Report**’).

We advise that we will rely on and refer to your statements and conclusions in Our Report, and we will append a copy of Your Report or a summary of Your Report to Our Report. As Our Report will be a public document, you will be required to provide your consent to the use of Your Report in the form and context in which it will be published.

We will also provide you with a draft copy of Our Report and ask that you confirm that we have accurately referred to Your Report and reflected any statements you have made.

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ENGAGEMENT SCOPE

We request that you provide us with an *independent* opinion on the market valuation of the properties and assets listed below:

- The Lao Cai International Hotel (**'the Lao Cai Hotel'**), located in Lao Cai, Vietnam of which we understand the following:
    - Address: Dang Chau Road, Duyen Hai ward, Lao Cai City, Lao Cai Province, Vietnam; and
    - The building is still standing but empty as all equipment has already been taken out and no maintenance is done on the property.
- The Aristo International Hotel (**'the Aristo'**) located in Lao Cai, Vietnam constructed by Donaco and which opened in 2014. For clarity we understand the following in relation to the Aristo:
    - Address: No. 028 Yet Kieu Road, Kim Tan ward, Lao Cai City, Lao Cai Province, Vietnam;
    - The Aristo is operated under a joint venture agreement with an entity owned by the government of Vietnam;
    - The Aristo includes a 393-room hotel, two restaurants, a tennis court, a pickleball court and other amenities;
    - The Aristo operates gambling activities under a gaming license granted by the Vietnam government which allows Donaco to operate, on the premises, a maximum of 8 gaming tables 150 slot machines and 150 video game machines; and
    - The gambling licence has a 30-year expiry date and was issued on 19 July 2002 such that the license is set to expire in 2032.
- The Star Vegas Resort & Club (**'the Star Vegas'**) located in Poipet, Cambodia. The Star Vegas was acquired by Donaco in 2015 from a group of Thai investors vendors (**'the Thai Vendors'**). For clarity, we understand the following in relation to the Star Vegas:
    - Address: Phum Kbal Spean, Sangkat Poipet O'Chrov District, Banteay Meanchey Province, Kingdom of Cambodia;
    - The Star Vegas operates on 115,098 square meters of land leased from the Thai Vendors who are also shareholders of Donaco, and the land is subject to a leasehold agreement between Donaco and the Thai Vendors;
        - The leasehold agreement on the Star Vegas was subsequently renegotiated in March of 2020 as part of a settlement agreement with the Thai Vendors to settle an on-going legal dispute; and
        - An amended perpetual lease agreement was executed under which we understand Donaco was granted security of tenure over the Star Vegas until 15 June 2115.
    - The Star Vegas includes 57,000 square meters of functional building space, featuring four hotel buildings with a total of 385 rooms (199 of which are currently in operation). Its casino operates under a license, offering 39 gaming tables and 484 electronic gaming

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machines. These machines include a mix of units owned outright by Donaco, as well as leased units subject to profit-sharing agreements; and

- The Star Vegas also includes multiple restaurants, shops, health spas, nightclubs, swimming pools and a fleet of buses and vans. Of which, the shops, swimming pool, fleet shuttle, and nightclub are operated by tenants (with the heath bar currently closed by tenant). The Star Vegas only operates the restaurants.

For avoidance of doubt, in relation to the Aristo and the Star Vegas, their individual valuations should include at least two valuation bases: an assessment of the properties' values on a going concern basis and an assessment of the valuation of the properties on a vacant possession basis.

As part of the vacant possession valuation specifically, an apportionment of the value between land and buildings is to be included in the valuation as well as an assessment of the value of any gaming machines, gaming tables, licenses and other material property, plant and equipment categories held by Donaco.

We may also ask you to assist with the assessment of the reasonableness of the assumptions for more than one scenario if it is considered appropriate. We will discuss this with you should it arise.

TERMS OF YOUR ENGAGEMENT

Your Report must be prepared in accordance with the Australian Securities & Investments Commission Regulatory Guides 111 *Content of expert reports* and, 112 *Independence of experts* (RGs 111 and 112). We have engaged you because we understand that you have the required competency to report on the assets subject of this engagement and you understand your requirements under RGs 111 and 112. Please advise us immediately if, during the engagement, you find you are unable to meet any of these requirements.

Your Report should include the following:

- A statement that demonstrates your claims against your professional competency in valuing the Donaco assets subject of this engagement including:
  - The name, address and location of each Knight Frank office responsible for each section of Your Report (as applicable);
  - Confirmation of which contributor(s) worked on each section of Your Report (as applicable); and
  - The CV of each contributor(s) who worked on Your Report, including confirmation of their relevant commercial experience and/or credentials and expertise in preparing the relevant section(s) of Your Report.
- A statement that demonstrates your independence and the independence of any other contributors to Your Report who have been engaged for their technical expertise;
- Valuations in the form of a range (RG111.78 – 79); and
- The fee for Your Report. This fee must not be reliant on the outcome of the Proposed Transaction (RG 112.45).

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In preparing Your Report you must be satisfied that there is sufficient current information available to allow an informed evaluation and we ask you to advise us immediately if you are unable to obtain that information or form an independent and thorough opinion.

As a Public Report, there is an obligation to ensure that Shareholders can rely on the information until a decision on the Proposed Transaction has been made. Your Report must include at least two valuation approaches, explain why they are appropriate, and comment on how they have been prepared. If only one approach can be used, you must explain why (RG111.64 -68). If during this period, there is a significant change in circumstances we may contact you and request that the information within Your Report be assessed to ensure the change in circumstances has not rendered any of the material information misleading. Further, as set out under RG 111.105 – 107 *Disclaimers*, you cannot limit your statutory liability for the report through disclaimers.

Independence

Your services are required to be carried out in compliance with RG 112, and as this engagement requires you to be independent of Donaco and its shareholders, ONR and their subsidiaries and associates, you must advise us immediately if, within at least the last two years you have had a professional relationship or provided services to these parties or any other interested party.

Your Report must include a statement on your independence including whether there are any:

1. Financial or other interest that could reasonably be regarded as affecting your ability to give an unbiased opinion on your services to us;
2. Fees or benefits (direct or indirect) you will receive in connection with your report, and
3. Discussions or agreements with Donaco and/or their associates on future work.

By accepting this engagement, you also agree not to take instructions from Donaco or other interested parties on your analysis or use of methodologies as this may compromise your independence and therefore the Proposed Transaction (RG 112.47).

As your engagement requires you to remain independent of Donaco, its subsidiaries and associates, it is important that you advise us immediately if within at least the last two years you have had a professional engagement with these parties or any of the other interested parties.

If at any time you believe your independence has been compromised, including when obtaining the information required to prepare Your Report, please advise us immediately. If a compromise has occurred, we will discuss this with you and we reserve the right to terminate this engagement. You also agree to indemnify BDO for any loss arising out of your loss of independence.

Required Information

As a Public Report under RG 111, Your Report must contain all the information that investors and their professional advisors would reasonably require and expect to find to make an informed decision on the subject of the report. In this regard, ASIC has publicly raised its concerns with the adequacy of disclosure by Specialists on assumptions, compliance with relevant industry codes, and the demonstration of a reasonable basis for assumptions and conclusions drawn. It is important that as a Specialist, you obtain

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sufficient information and provide a level of disclosure that supports your assumptions and conclusions, and we may ask you to provide further information on the basis of the statements.

You are to liaise with Donaco to obtain the necessary information and this engagement and all information that you receive from Donaco or us should be treated as being strictly confidential unless it is already in the public domain. We request that you ensure we are copied in on all correspondence and invited to attend all meeting and calls.

In gathering the required information, we ask that you not discuss your preliminary views, future business, or cross-selling opportunities with Donaco or other interested parties (RG 112.47). To do so may compromise your independence.

Deliverables

We require from you the following:

1. Draft report by 15 April 2025 including:
    a. Draft Report, excluding valuation conclusions for factual accuracy confirmation by Donaco;
    b. Full Draft Report for consideration by BDO;
2. Your Final signed report; and
3. Any Supplementary report required to be issued under ASIC RG 111.102-103.

Each of your draft reports is to be provided to us for review and distribution to the relevant Client parties for factual accuracy. We will provide you with any BDO or Donaco comments for your consideration and ask that you only alter Your Report if you are persuaded that there has been an error of fact (RG 112.56).

We will rely on Your Report, and any information you provide as being complete and accurate and you agree not to make any claim against us for any loss, damages, costs or expenses you may suffer or incur as a result of the information you obtained or relied upon to prepare Your Report. We will not conduct verification procedures or audit Your Report however, we will bring to your attention any information or statements that we have assessed as unreliable.

Termination

Your engagement starts on the date the below Acceptance is signed and returned to us with this engagement agreement.

Our engagement will end on the provision of all Deliverables or the day following the Second Court Hearing.

We may also terminate this engagement agreement if you breach any of the requirements within, or we form the view that you are no longer independent or competent.

If our engagement is terminated, you:

1. Agree to provide any transition assistance that may be reasonably requested;
2. Will continue to maintain your obligations of confidentiality and indemnity as set out within this engagement agreement, and

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3. Will return all information obtained from Donaco or us to the relevant party.

Fees

The total fee for completing your work will be HKD $1,000,000. We understand that an initial invoice for 50% of the fee is expected to be issued upon confirmation of engagement. A further 30% will be payable upon issuance of a complete draft report. The remaining 20% will be payable upon delivery of the final report or within two calendar months from the date of engagement, whichever is earlier.

Donaco is solely responsible for your fees and all invoices should be addressed to the Donaco CFO, Gordon Lo. All matters relating to the fees for your work are strictly between you and Donaco. You are required to contact Donaco directly to finalise all terms of your engagement, including access to the required information and, importantly, payment of invoices issued.

BDO Corporate Finance Ltd is responsible solely for selecting the Specialist and negotiating the scope of services, as outlined in this engagement letter.

BDO Corporate Finance Ltd is not responsible for payment of any invoices issued by you in relation to the above scope of work.

YOUR ACCEPTANCE

By your acceptance, you agree to indemnify us against any loss we may suffer as a result of reliance on your report or as a result of a breach of this agreement. This indemnity will not apply to any loss that results from any willful misconduct or fraudulent act or omission by us.

Please agree to the terms of our instructions by signing the below acceptance and returning a copy of this engagement agreement and acceptance to us at your earliest convenience.

Yours sincerely

BDO Corporate Finance Ltd



Mark Whittaker
Director

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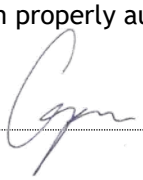
ACCEPTANCE – KNIGHT FRANK

I have read the above engagement agreement from BDO Corporate Finance Ltd and accept the scope and terms of this engagement.

I acknowledge that BDO Corporate Finance Ltd is not responsible for the invoices to be issued by Knight Frank Petty Limited ('Knight Frank') in relation to the scope of work set out in this letter. I acknowledge that all matters relating to the fees for the work performed by Knight Frank are strictly between Knight Frank and Donaco International Limited.

I warrant that I am properly authorised to sign the acknowledgment on behalf of Knight Frank.

Signed 

Full name: Cyrus Fong

Position Executive Director,
Head of Valuation & Advisory, Greater China

Dated: 10 April 2025

ACCEPTANCE – DONACO INTERNATIONAL LIMITED

I confirm that Donaco International Limited has agreed to the fee set out above.

I acknowledge that BDO Corporate Finance Ltd is not responsible for any invoices issued by Knight Frank in relation to the above scope of work.

I warrant that I am properly authorised to sign the acknowledgment on behalf of Donaco International Limited.

Signed 

Full name: Rod Sutton

Position Director

Dated:

General Terms of Business for Valuation Services

Important Notice

If you have any queries relating to this Agreement, please let us know as soon as possible and in any event before signing the Terms of Engagement Letter and/or giving us instructions to proceed.

Your instructions to proceed (howsoever received, whether orally or in writing) will constitute your offer to purchase our services on the terms of the Agreement.

Accordingly, our commencement of work pursuant to your instructions shall constitute acceptance of your offer and as such establish the contract between us on the terms of the Agreement.

These General Terms of Business for Valuation Services (the "**General Terms**"), the General Scope of Valuation Work (the "General Scope of Work") and our Terms of Engagement Letter (the "**Engagement Letter**") together form the agreement between you and us (the "**Agreement**"). References to "**you**", "**your**" etc. are to persons or entities who are our client and, without prejudice to clauses 3 and 4 below, to any persons purporting to rely on our Valuation.

Unless the context otherwise requires, all other terms and expressions used but not defined herein shall have the meaning ascribed to them in the Engagement Letter.

When used within these General Terms, the General Scope of Work and/or in the Engagement Letter, the term "**Valuation**" shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to our engagement and any other replies or information we produce in respect of any such report and/or any relevant property. Any words following the terms "**including**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

All of the terms set out in these General Terms shall survive termination of the Agreement.

In the event of any inconsistency between these General Terms, the Scope of Work and the Engagement Letter, the order of precedence should be as follows: (1) the Engagement Letter , (2) the Scope of Work and (3) these General Terms.

1. Knight Frank

1.1 Knight Frank Petty Limited ("**Knight Frank**", "**our**", "**us**", "**we**") is a company with limited liability incorporated in the Hong Kong Special Administrative Region (the "**HKSAR**").

1.2 Our registered office is at 4/F Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.

1.3 Any representative of Knight Frank described as *partner* is either a member or an employee of Knight Frank and is not a partner in a partnership. The term *partner* has been retained because it is an accepted way of referring to senior professionals. The term "**Knight Frank Person**" shall, when used herein, mean any member, employee, "partner" or consultant of Knight Frank.

1.4 The details of our professional indemnity insurance will be provided to you on request.

1.5 Knight Frank is registered for regulation in HKSAR by the Royal Institution of Chartered Surveyors ("**RICS**"). Any Valuation provided by us may be subject to monitoring under RICS Valuer Registration. In accordance with our obligations it may be necessary to disclose valuation files to the RICS. By instructing us, you give us your permission to do so. Where possible, we will give you prior notice before making any such disclosure, although, this may not always be possible. We will use reasonable endeavours to limit the scope of any such disclosure and to ensure any disclosed documents are kept confidential.

1.6 Valuations will be carried out in accordance with the relevant edition of the Hong Kong Institute of Surveyors ("HKIS") Valuation Standards, and/or the RICS valuation standards, the RICS Red Book (the "**Red Book**"), by valuers who conform to its requirements and with regard to relevant statutes or regulations.

1.7 As required by the RICS, a copy of our complaints procedure is available on request. Please contact the relevant Head of Department if you would like to make a complaint.

1.8 Knight Frank is regulated by the RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct and all other applicable mandatory professional practice requirements of the RICS, which can be found at www.rics.org. As a RICS regulated firm, we have committed to cooperating with the RICS in ensuring compliance with its standards.

2. Governing law and jurisdiction

2.1 The Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation or any Valuation shall be governed by and construed in accordance with the laws of the HKSAR.

2.2 The courts of the HKSAR shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation or any Valuation. This will apply wherever the relevant property or the client, or any relevant third party, is located or the service is provided.

3. Limitations on liability

3.1 Subject to clause 3.8, our maximum total liability in connection with or arising out of this Agreement and/or its subject matter and/or the Valuation is limited to five times our fee as set out in the Engagement Letter.

3.2 Subject to clause 3.8, we will not be liable for any loss of profits, loss of data, loss of chance, loss of goodwill, or any indirect or consequential loss of any kind.

3.3 Our liability to you shall be reduced to the extent that we prove that we would have been able to claim a contribution pursuant to the Civil Liability (Contribution) Ordinance Cap 377 of the laws of the HKSAR from one or more of the other professionals instructed by you in relation to any relevant property and/or the Purpose (and in each case if, as a result of an exclusion or limitation of liability in your agreement with such professional, the amount of such contribution would be reduced, our liability to you shall be further reduced by the amount by which the contribution we would be entitled to claim from such professional is reduced).

3.4 Subject to clause 3.8, any limitation on our liability will apply however such liability is or would otherwise have been incurred, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise.

3.5 Except as set out in clauses 3.6 and 4.7 and 4.8 below, no third party shall have any right to enforce any of the terms of this Agreement,

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whether under the Contracts (Rights of Third Parties) Ordinance (Cap 623) or otherwise.

3.6 No claim arising out of or in connection with this Agreement may be brought against any Knight Frank Person. Those individuals will not have a personal duty of care to you or any other person and any such claim for losses must be brought against Knight Frank. Any Knight Frank Person may enforce this clause under the Contracts (Rights of Third Parties) Ordinance (Cap 623) but the terms of this Agreement may be varied by agreement between the client and Knight Frank at any time without the need for any Knight Frank Person to consent.

3.7 No claim, action or proceedings arising out of or in connection with the Agreement and/or any Valuation shall be commenced against us after the expiry of the earlier of (a) six years from the Valuation Date (as set-out in the relevant Valuation) or (b) any limitation period prescribed by law.

3.8 Whether or not specifically qualified by reference to this clause, nothing in the Agreement shall exclude or limit our liability in respect of fraud, or for death or personal injury caused by our negligence or negligence of those for whom we are responsible, or for any other liability to the extent that such liability may not be so excluded or limited as a matter of applicable law.

4. Purpose, reliance and disclosure

4.1 The Valuation is prepared and provided solely for the stated purpose. Unless expressly agreed by us in writing, it cannot be relied upon, and must not be used, for any other purpose and, subject to clause 3.8, we will not be liable for any such use.

4.2 Without prejudice to clause 4.1 above, the Valuation may only be relied on by our Client. Unless expressly agreed by us in writing the Valuation may not be relied on by any third party and we will not be liable for any such purported reliance.

4.3 Subject to clause 4.4 below, the Valuation is confidential to our Client and must not be disclosed, in whole or in part, to any third party without our express written consent (to be granted or withheld in our absolute discretion). Subject to clause 3.8, no liability is accepted to any third party for the whole or any part of any Valuation disclosed in breach of this clause.

4.4 Notwithstanding any statement to the contrary in the Agreement, you may disclose documents to the minimum extent required by any court of competent jurisdiction or any other competent judicial or governmental body or the laws of the HKSAR.

4.5 Neither the whole nor any part of the Valuation and/or any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any website) without our prior written consent and approval of the form and context in which it may appear.

4.6 Where permission is given for the publication of a Valuation neither the whole nor any part thereof, nor any reference thereto, may be used in any publication or transaction that may have the effect of exposing us to liability for actual or alleged violations of the Securities Act 1933 as amended, the Securities Exchange Act of 1934 as amended, any state Blue Sky or securities law or similar federal, state provincial, municipal or local law, regulation or order in either the United States of America or Canada or any of their respective territories or protectorates (the "**Relevant Securities Laws**"), unless in each case we give specific written consent, expressly referring to the Relevant Securities Laws.

4.7 You agree that we, and/or any Knight Frank Person, may be irreparably harmed by any breach of the terms of this clause 4 and that damages may not be an adequate remedy. Accordingly, you agree that we and/or any Knight Frank Person may be entitled to the remedies of injunction or specific performance, or any other equitable relief, for any anticipated or actual breach of this clause.

4.8 You agree to indemnify and keep fully indemnified us, and each relevant Knight Frank Person, from and against all liabilities, claims, costs (including legal and professional costs), expenses, damages and losses arising from or in connection with any breach of this clause 4 and/or from the actions or omissions of any person to whom you have disclosed (or otherwise caused to be made available) our Valuation otherwise than in accordance with this clause 4.

4.9 You warrant and represent that all information provided to us shall be accurate, complete and up-to-date and can be relied upon by us for the purposes of the Agreement and you shall be liable to us or any other third party for any such information provided by you that is not accurate, complete or up-to-date.

5. Knight Frank network

5.1 Knight Frank Petty Limited / Knight Frank Asset Appraisal Limited is a member of an international network of independent firms which may use the "Knight Frank" name and/or logos as part of their business name and operate in jurisdictions outside the HKSAR (each such firm, an "**Associated Knight Frank Entity**").

5.2 Unless specifically agreed otherwise, in writing, between you and us: (i) no Associated Knight Frank Entity is our agent or has authority to enter into any legal relations and/or binding contracts on our behalf; and (ii) we will not supervise, monitor or be liable for any Associated Knight Frank Entity or for the work or actions or omissions of any Associated Knight Frank Entity, irrespective of whether we introduced the Associated Knight Frank Entity to you.

5.3 You are responsible for entering into your own agreement with any relevant Associated Knight Frank Entity.

5.4 This document has been originally prepared in the English language. If this document has been translated and to the extent there is any ambiguity between the English language version of this document and any translation thereof, the English language version as prepared by us shall take precedence.

6. Severance

If any provision of the Agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable and, to the greatest extent possible, achieves the intended commercial result of the original provision. If express agreement regarding the modification or meaning or any provision affected by this clause is not reached, the provision shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision shall be deemed deleted. Any modification to or deletion of a provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

7. Entire agreement

7.1 The Agreement, together with any Valuation produced pursuant to it (the Agreement and such documents together, the "**Contractual Documents**") constitute the entire agreement between you and us and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between you and us, whether written or oral, relating to its subject matter.

7.2 Subject to clause 3.8 above, you agree that in entering into the Agreement you do not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not expressly set out in the Contractual Documents. You further agree that you shall have no claim for innocent or negligent misrepresentation based on any statement set out in the Contractual Documents.

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7.3 The Engagement Letter, the Scope of Work and these General Terms shall apply to and be incorporated in the contract between us and will prevail over any inconsistent terms or conditions contained or referred to in your communications or publications or which would otherwise be implied. Your standard terms and conditions (if any) shall not govern or be incorporated into the contract between us.

7.4 Subject to clause 3.8 and clause 6, no addition to, variation of, exclusion or attempted exclusion of any of the terms of the Contractual Documents will be valid or binding unless recorded in writing and signed by duly authorised representatives on behalf of the parties.

8. Assignment

You shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of the rights and obligations under the Agreement without our prior written consent (such consent to be granted or withheld in our absolute discretion).

9. Force majeure

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from events, circumstances or causes beyond its reasonable control.

10. Our fees

10.1 Without prejudice to clause 10.3 below, you become liable to pay our fees upon issuance of the Valuation. For the avoidance of doubt, unless expressly agreed otherwise in writing, the payment of our fees is not conditional on any other events or conditions precedent.

10.2 If any invoice remains unpaid after 30 days of the date on which it is presented, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made, at 2% per month.

10.3 If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

10.4 If before the Valuation is concluded you end this instruction, we will charge abortive fees (calculated on the basis of a proportion of the total fee by reference to reasonable time and expenses incurred), with a minimum charge of 50% of the full fee if we have already inspected the property (or any property, if the instruction relates to more than one), or with a minimum charge of 80% of the full fee if we have already submitted draft report.

10.5 If you delay the instruction by more than 30 days or materially alter the instruction so that additional work is required at any stage or if we are instructed to carry out additional work that we consider (in our reasonable opinion) to be either beyond the scope of providing the Valuation or to have been requested after we have finalised our Valuation (including, but not limited to, changing the Valuation Date, or issuing additional reports addressed to third parties, etc.), we will charge additional fees for this work. We will endeavour to agree any additional fees with you prior to commencing the work, however, where this is not possible our hourly rates will apply. Such additional fees will be calculated on the basis of a proportion of the total fee by reference to reasonable time and expenses incurred.

10.6 Where we agree to accept payment of our fees from a third party, such fees remain due from you until payment is received by us.

10.7 Any fee paid in advance for our services will not be held by us as client's money pending the completion of our service to you and it will not be subject to the RICS Clients' Money Protection Scheme.

11. Anti-bribery, corruption & Modern Slavery

11.1 We agree that throughout the term of our appointment we shall:

(a) Comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Prevention of Bribery Ordinance (Cap 201), (the "Relevant Requirements");

(b) not engage in any activity, practice or conduct which would constitute an offence under sections 1,2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;

(c) maintain anti-bribery and anti-corruption policies to comply with the Relevant Requirements and any best practice relating thereto; and

(d) promptly report to you any request or demand for any undue financial or other advantage of any kind in connection with the performance of our services to you.

11.2 We take all reasonable steps to ensure that we conduct our business in a manner that is consistent with our Human Rights Policy and comply with applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including the Modern Slavery Act 2015 of the UK.

12. Data Protection

12.1 For the purposes of this clause "Data Protection Legislation" means the Personal Data (Privacy) Ordinance (Cap 486) The terms "Personal Data", "Data Processor" and "Data Subject" shall have the meanings ascribed to them in the Data Protection Legislation.

12.2 You and we shall comply with applicable requirements of the Data Protection Legislation.

12.3 Without prejudice to the generality of the foregoing, you will not provide us with Personal Data unless the Agreement requires the use of it, and/or we specifically request it from you. By transferring any Personal Data to us you warrant and represent that you have the necessary authority to share it with us and that the relevant Data Subjects have been given the necessary information regarding its sharing and use.

12.4 We may transfer Personal Data you share with us to other Associated Knight Frank Entities and/or group undertakings. Some of these recipients may be located outside of the HKSAR. We will only transfer such Personal Data where we have a lawful basis for doing so and have complied with the specific requirements of the Data Protection Legislation.

12.5 Full details of how we use Personal Data can be found in our Privacy Statement at http://www.knightfrank.com/legals/privacy-statement.

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General Scope of Valuation Work

As required by the RICS Valuation – Global Standards (the "Red Book") / International Valuation Standards, this General Scope of Valuation Work describes information we will rely on, the investigations that we will undertake, the limits that will apply to those investigations and the assumptions we will make, unless we are provided with or find information to the contrary.

Definitions

"**Assumption**" is something which it is agreed the valuer can reasonably accept as being true without specific investigation or verification.

"**Property**" is the interest which we are instructed to value in land including any buildings or other improvements constructed upon it.

"**Valuation**" shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to this engagement and any other replies or information we produce in respect of any such report and/or any relevant property.

1. Property to be valued

1.1 We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the address provided in your instructions, is the Property inspected by us and included within our Valuation. If there is ambiguity as to the Property address, or the extent of the Property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our Valuation.

1.2 We will rely upon information provided by you, your representative(s) or your legal advisers relating to the Property to be valued, including any tenancies, sub-tenancies or other third-party interests. Any information on title and tenure we are provided with by a third party during the course of our investigations will be summarised in our Valuation but will be subject to verification by your legal advisers. We will not search the original documents to verify ownership or to verify any lease amendments that may not appear on the copies handed to us. We will not make or commission any investigations to verify any of this information. In particular, we will not investigate or verify that :

(a) all title information relied upon and referred to in our Valuation is complete and correct,

(b) all documentation is satisfactorily drawn,

(c) there are no undisclosed onerous conditions or restrictions that could impact on the marketability of the Property valued, and

(d) there is no material litigation pending, relating to the Property valued.

For Hong Kong Properties

Prior to preparing our report, unless you or your representative(s) provide land search information to us, a search will normally be made in the Land Registry to retrieve details of the Government Lease and any encumbrances registered against it. Information so obtained will be interpreted and analysed with as much care as possible, but you should always arrange for your own legal advisers to check this information prior to entering into any commitment as a result of our report.

For Macau Properties

Whilst we may cause search in the Conservatória do Registo Predial (the Property Registry of Macau) to retrieve relevant information / encumbrances in Chinese registered against the Property, we largely rely on the copies provided by you or your representative(s), in English or Chinese. We do not undertake to require sight of the original documents etc nor to verify the correctness of any information supplied to us, including their translations.

For PRC or Overseas Properties

We normally base our work on information supplied to us only, accept such information at its face value, and do not undertake to require sight of the original documents etc. Nor do we verify the correctness of any information supplied to us, whether in writing or verbally, by you or by your representative(s) or by any (or any apparent) occupier of the property or contained in the copy of the documents.

1.3 Where we provide a plan of the Property in our Valuation, this is for identification only. While the plan reflects our understanding based on the information provided to us, it must not be relied upon to define boundaries, title or easements.

1.4 Our Valuation will include those items of plant and machinery normally considered to be part of the service installations to a building and which would normally pass with the Property on a sale or letting. We will exclude all other items of process plant, machinery, trade fixtures and equipment, chattels, vehicles, stock and loose tools, and any tenant's fixtures and fittings.

1.5 Unless agreed otherwise in writing, we will neither investigate nor include in our Valuation any unproven or unquantified mineral deposits, felled timber, airspace or any other matter which may or may not be found to be part of the Property but which would not be known to a buyer or seller on the valuation date.

1.6 Unless agreed otherwise, our Valuation will make the Assumption that all parts of the Property occupied by the current owner on the valuation date would be transferred with vacant possession and any tenancies, sub-tenancies or other third party interests existing on the valuation date will continue.

1.7 Where requested legal title and tenancy information is not provided in full, in the absence of any information provided to the contrary, our Valuation will make the Assumption that the subject Property has good title and is free from any onerous restrictions and/or encumbrances or any such matter which would diminish its value.

2. Portfolios

2.1 Where instructed to value a portfolio of properties, unless specifically agreed with you otherwise, we will value each Property separately on the basis that it is offered individually to the market.

3. Building specification and condition

3.1 We will note the general condition of any building and any building defect brought to our attention and reflect this in our Valuation. We will not undertake a detailed investigation of the materials or methods of construction or of the condition of any specific building element. We will not test or commission a test of service installations. Unless we become aware during our normal investigations of anything to the contrary and mention this in our Valuation, our Valuation will , make the Assumption that:

(a) any building is in a condition commensurate with its age, use and design and is free from significant defect,

(b) no construction materials have been used that are deleterious, or likely to give rise to structural defects,

(c) no potentially hazardous or harmful materials are present, including asbestos,

(d) all relevant statutory requirements relating to use, construction and fire safety have been complied with,

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(e) any building services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction, and

(f) the supply to the building of electricity, data cable network and water, are sufficient for the stated use and occupancy.

3.2 If you require information on the structure or condition of any building, our specialist building surveyors can provide a suitable report as a separate service.

4. Environment and sustainability

4.1 Our Valuation will reflect the market's perception of the environmental performance of the Property and any identified environmental risks as at the valuation date. This may include reflecting information you provide to us that has been prepared by suitably qualified consultants on compliance of existing or proposed buildings with recognised sustainability metrics. Where appropriate, we will research any freely available information issued by public bodies on the sustainability metrics of existing buildings.

4.2 As part of our valuation service, we will not advise on the extent to which the Property complies with any other Environmental, Social or Governance (ESG) metrics or to what extent the building, structure, technical services, ground conditions, will be impacted by future climate change events, such as extreme weather, or legislation aimed at mitigating the impact of such events. If required, KF may be able to advise on ESG considerations and their long-term impact on a Property as a separate service.

5. Ground conditions and contamination

5.1 We may rely on any information you provide to us about the findings and conclusions of any specialist investigations into ground conditions or any contamination that may affect the Property. Otherwise our investigations will be limited to research of freely available information issued by Government Agencies and other public bodies for flood risk, recorded mining activity and radon. We will also record any common sources or indicators of potential contamination observed during our inspection.

5.2 Unless specifically instructed by you to do so, we will not commission specialist investigations into past or present uses either of the Property or any neighbouring property to establish whether there is contamination or potential for contamination, or any other potential environmental risk. Neither will we be able to advise on any remedial or preventive measures.

5.3 We will comment on our findings and any other information in our possession or discovered during our investigations in our Valuation.

5.4 Unless we become aware of anything to the contrary and mention this in our Valuation, for each Property valued our Valuation will make the Assumption that:

(a) the site is physically capable of development or redevelopment, when appropriate, and that no extraordinary costs will be incurred in providing foundations and infrastructure,

(b) there are no archaeological remains on or under the land which could adversely impact on value,

(c) the Property is not adversely affected by any form of pollution or contamination,

(d) there is no abnormal risk of flooding,

(e) there are no high voltage overhead cables or large electrical supply equipment affecting the Property,

(f) the Property does not have levels of radon gas that will require mitigation work,

(g) there are no invasive species present at the Property or within close proximity to the Property, and

(h) there are no protected species which could adversely affect the use of the Property.

6. Planning and highway enquiries

6.1 We may research freely available information on planning history and relevant current policies or proposals relating to any Property being valued using the appropriate local authority website. We will not commission a formal local search. Our Valuation will make the Assumption that any information obtained will be correct, but our findings should not be relied on for any contractual purpose.

6.2 Unless we obtain information to the contrary, Our Valuation will make the Assumption that:

(a) the use to which the Property is put is lawful and that there is no pending enforcement action, and

(b) there are no local authority proposals that might involve the use of compulsory purchase powers or otherwise directly affect the Property.

6.3 We do not undertake searches to establish whether any road or pathways providing access to the Property are publicly adopted. Unless we receive information to the contrary or have other reason to suspect an adjoining road or other access route is not adopted, our Valuation will make the Assumption that all such routes are publicly adopted.

7. Other statutory and regulatory requirements

7.1 A property owner or occupier may be subject to statutory regulations depending on their use. Depending on how a particular owner or occupier uses a building, the applicable regulations may require alterations to be made to buildings. Our valuation service does not include identifying or otherwise advising on works that may be required by a specific user in order to comply with any regulations applicable to the current or a proposed use of the Property. Unless it is clear that similar alterations would be required by most prospective buyers in the market for a property, our Valuation will make the Assumption that no work would be required by a prospective owner or occupier to comply with regulatory requirements relating to their intended use.

7.2 We will not investigate or comment on licences or permits that may be required by the current or any potential users of the Property relating to their use or occupation.

8. Measurements

8.1 Where building floor areas are required for our Valuation, unless we have agreed to rely on floor areas provided by you or a third party, we will take measurements and calculate the appropriate floor areas for buildings in accordance with the current Hong Kong Institute of Surveyors ("HKIS") Code of Measuring Practice or Royal Institution of Chartered Surveyors ("RICS") Property Measurement Professional Standard. These measurements will be quoted to a reasonable approximation, with reference to their source or taken by us from scaled drawings provided to us. The floor areas will be within a tolerance that is appropriate having regard to the circumstances and purpose of the valuation instruction.

8.2 Where required, any site areas will be quoted from plans or other sources available to us.

9. Investment properties

9.1 Where the Property valued is subject to a tenancy or tenancies, we will have regard to the market's likely perception of the financial status and reliability of tenants in arriving at our valuation. We will not undertake detailed investigations into the financial standing of any tenant. Unless advised by you to the contrary, our Valuation will be based on the Assumption that there are no material rent arrears or breaches of other lease obligations. We will further assume that the tenants will continue to occupy the premises and comply with the

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conditions of the tenancies until the expiry of the existing tenancy terms.

10. Development properties

10.1 If we are instructed to value Property for which development, redevelopment or substantial refurbishment is proposed or in progress, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We shall be entitled to rely on such information in preparing our valuation. If a professional estimate of build costs is not made available, we will rely on published build cost data but this must be recognised as being less reliable as it cannot account for variations in site conditions and design. This is particularly true for refurbishment work or energy efficiency and environmental upgrades. In the absence of a professionally produced cost estimate for the specific project, we may need to qualify our report and the reliance that can be placed on our valuation.

10.2 For Property in the course of development, we will reflect the stage reached in construction and the costs remaining to be spent at the date of valuation. We will have regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project. For recently completed developments we will take no account of any retentions, nor will we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

10.3 We will assume that the property valued will be constructed, occupied and used in full compliance with, and without contravention of any Ordinances, statutory requirements and notices, except only where otherwise stated. We will further assume that, for any use of the property upon which the report is based, any and all required licences, permits, certificates, consents, approvals and authorisations have been or will be obtained, except only where stated otherwise.

11. VAT, taxation and costs

11.1 The reported valuation will be our estimate of the price that would be agreed with no adjustment made for costs that would be incurred by the parties in any transaction, including any liability for VAT, stamp duty or other taxes. It is also gross of any mortgage or similar financial encumbrance.

12. Property insurance

12.1 Except to the limited extent provided in clause 3 and clause 4 above, we do not investigate or comment on how potential risks would be viewed by the insurance market. Our Valuation will be on the Assumption that each Property would, in all respects, be insurable against all usual risks including fire, terrorism, ground instability, extreme weather events, flooding and rising water table at normal, commercially acceptable premiums.

13. Reinstatement cost estimates

13.1 We can only accept a request to provide a building reinstatement cost estimate for insurance purposes alongside our Valuation of the Property interest on the following conditions:

(a) the assessment provided is indicative, without liability and only for comparison with the current sum insured, and

(b) the building is not specialised or listed as being of architectural or historic importance.

13.2 Otherwise we can provide an assessment of the rebuilding cost by our specialist building surveyors as a separate service.

14. Legal advice

14.1 We are appointed to provide valuation opinion(s) in accordance with our professional duties as valuation surveyors. The scope of our service is limited accordingly. We are not qualified legal practitioners and we do not provide legal advice. Unless instructed to the contrary, we will not read title or lease documentation and will make the Assumption that summary tenure and tenancy information provided is accurate and includes all material factors that could impact value. If we indicate what we consider the effect of any provision in the Property's title documents, leases or other legal requirements may have on value, we strongly recommend that this be reviewed by a qualified lawyer before you take any action relying on our valuation.

15. Loan security

15.1 If we are requested to comment on the suitability of the Property as a loan security, we are only able to comment on any risk to the reported value that is inherent in either its physical attributes or the interest valued. We will not comment on the degree and adequacy of capital and income cover for an existing or proposed loan or on the borrower's ability to service payments.

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Appendix 2 CVs of the valuers

Cyrus Fong.



Executive Director, Head of Valuation & Advisory, Greater China
T: +852 2846 7135
E: cyrus.fong@hk.knightframe.com

QUALIFICATIONS

Fellow of the Royal Institution of Chartered Surveyors (2021)
Fellow of the Hong Kong Institute of Surveyors (2021)
Licensed Salesperson, Hong Kong (2012) S-368139
Registered Valuer of the Royal Institution of Chartered Surveyors (2016)
Registered Professional Surveyor (General Practice) (2016)
Member of China Institute of Real Estate Appraisers and Agents (2018)
BSc (Hons) in Surveying (2006)

Cyrus is a Chartered Surveyor with a wealth of experience in valuation and advisory services in Hong Kong, Macau and Chinese mainland.

Cyrus joined Knight Frank in 2016 as an Associate Director in our General Valuation department providing property valuation and consultancy services to clients.

In addition to valuation services, Cyrus also advises clients on land and planning matters, retail consultancy, market research and feasibility studies, and development consultancy. He has conducted numerous assignments for different types of properties including development sites, luxury residential, commercial, industrial properties in Hong Kong, Macau, Chinese mainland, Asia Pacific, and the UK for corporate and private clients.

Recent *Successes*.



Young Surveyor of the Year – Certificate of Excellence
RICS HK Awards – 2018



Valuation
The Center, Hong Kong



Valuation
Leadenhall Building, London



Valuation
Sands Group, Macau

MAJOR CLIENTS

HSBC, Hang Seng Bank, Bank of China, JP Morgan, Citibank, Henderson, C C Land, Asia Standard, URA, ARA, Fortune REIT, Cheung Kong Holdings, Chinese Estates Holdings, New World, Evergrande, Kaisa Group, Cheung Kei Group, Shimao, Goldin, Far East, Arch Capital, Stan Group, Phoenix Property Investors, CSI, Link REIT, MTR Corporation, HKU, Sands, Macquarie Goodman, Blackstone, Lan Kwai Fong Group, Sa Sa International Holdings.

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Kheng Fong Law.



Executive Director, Valuation & Advisory, Cambodia
T: +855 23 966 878
M: +855 15 555 957
E: khengfong.law@kh.knightfrank.com

QUALIFICATIONS

Trust Regulator Registered Valuer
Ministry of Economy and Finance (MEF) Registered Valuer
Member of the Royal Institution of Chartered Surveyors
Royal Institution of Chartered Surveyors Registered Valuer
BA (Hons) Property with Business, University of Westminster

Kheng Fong is a Chartered Surveyor with over 15 years of experience in real estate services in both Cambodia and Malaysia.

Prior to joining Knight Frank Cambodia in 2017, he held senior management position at international real estate firm in Malaysia. He specializes in asset valuation across various sectors, including residential, commercial, industrial, hotel and land for assignment purposes such as financing, auditing (IFRS), accounting, taxation and acquisition.

Currently, Kheng Fong leads the Valuation & Advisory and Research & Consultancy teams at Knight Frank Cambodia. He is committed to upholding strict ethical standards and professional conduct in the delivery of high quality services. His clientele includes prominent banks, investors, landlords and developers such as Maybank, ANZ Royal Bank, Campu Bank, RHB, Hong Leong Bank, and CIMB Bank

Major *Clients*.

Total | **Kampuchea Tela Limited** | **Chevron** | **Canadia Bank PLC**

OTHER MAJOR CLIENTS

JTrust Royal Bank, Campu Bank, Maybank, TEHO International, Kampuchea Tela Limited, TA Group, JS Land Limited, Goldfame Group and RHB Bank

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Appendix 3 Title documents

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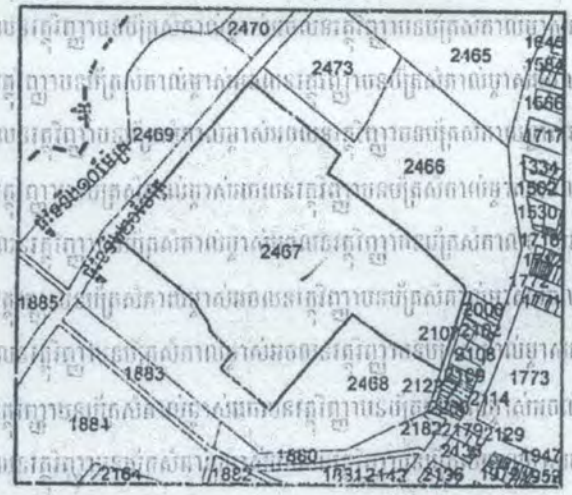
ព្រះរាជាណាចក្រកម្ពុជា

ជាតិ សាសនា ព្រះមហាក្សត្រ

វិញ្ញាបនបត្រសម្គាល់ម្ចាស់អចលនវត្ថុ

លេខ : 01100201-2467

រាជធានី/ខេត្ត : បន្ទាយមានជ័យ	សន្លឹកដែនដីលេខ : 5536-III 29 a
ក្រុង/ស្រុក/ខណ្ឌ : ថ្មពាយថែត	លេខក្បាលដី : 2467
ឃុំ សង្កាត់ : ថ្មពាយថែត	ទំហំ : 115098 ម៉ែ
ភូមិ : ក្បាលស្ពាន១	ប្រភេទដី :
	រូបភាពប្រើប្រាស់ដី : លំនៅឋាន
	លក្ខណៈនៃការប្រើប្រាស់ដី : ឯកជន



មាត្រដ្ឋាន 1/9500

ធ្វើនៅបន្ទាយមានជ័យ, ថ្ងៃទី ១១ ខែ ឧសភា ឆ្នាំ ២០១៧

ក.ប.ឧទេសរដ្ឋមន្ត្រី រដ្ឋមន្ត្រីក្រសួងរៀបចំដែនដី នគរូបនីយកម្ម និងសំណង់

អ្នកនាំពាក្យក្រសួងរៀបចំដែនដី នគរូបនីយកម្ម សំណង់ និងសុរិយោដី

ប្រាក់ ប៊ុណ្ណី

ចំណាំ: បើលោកអ្នកបាត់បង់ឬខូចវិញ្ញាបនបត្រសម្គាល់ម្ចាស់អចលនវត្ថុនេះ សូមជូនដំណឹងភ្លាមៗ ដើម្បីប្តឹងតវ៉ា ឬបិទប្រកាស ព្រោះបើលោកអ្នកធ្វេសប្រហែសក្នុងការរក្សាទុកវិញ្ញាបនបត្រនេះ ហើយមានអ្នកយកទៅប្រើប្រាស់ក្នុងការបញ្ចាំ ឬបញ្ចាំបន្ត ឬលក់ដូរ ឬផ្ទេរកម្មសិទ្ធិ ឬធ្វើការអ្វីមួយ ដោយមិនបានដឹងជាមុន លោកអ្នកនឹងទទួលខុសត្រូវចំពោះមុខច្បាប់ ដោយមិនអាចប្តឹងទាមទារសងសំណងពីអ្នកណាបានឡើយ។ ដូច្នេះ សូមលោកអ្នកកុំភ្លេចនាំយកវិញ្ញាបនបត្រនេះទៅការិយាល័យក្រោយពេលបានទទួលវិញ្ញាបនបត្រ ដើម្បីចុះបញ្ជីក្នុងបញ្ជីសារពើភ័ណ្ឌ ឬបញ្ជីសារពើភ័ណ្ឌបន្ថែមនៅក្នុងអចលនវត្ថុ ដែលមានឈ្មោះលោកអ្នកស្ថិតនៅ ព្រោះបើមិនធ្វើដូច្នេះទេ ការិយាល័យនឹងមិនទទួលខុសត្រូវចំពោះការបាត់បង់ ឬខូចខាតណាមួយ ដែលកើតមានឡើងចំពោះវិញ្ញាបនបត្រនេះ ឬចំពោះអចលនវត្ថុដែលមានឈ្មោះលោកអ្នកនោះឡើយ។

No. 4586877

ឈ្មោះកម្មសិទ្ធិករ: ក្រុមហ៊ុន លីហួប្រជីធីខូអិលធីឌី
(ក្រុមហ៊ុន)

អាស័យដ្ឋាន(ទីស្នាក់ការ) ភូមិក្បាលស្ពាន១ សង្កាត់ប៉ោយប៉ែត ក្រុងប៉ោយប៉ែត ខេត្តបន្ទាយមានជ័យ

អត្ថានុកូលដ្ឋានម្ចាស់អចលនវត្ថុ			ការផ្លាស់ប្តូរ		01100201-2467
នាមត្រកូល និង នាមខ្លួន / ប្រភេទទ្រព្យ	ថ្ងៃ ខែ ឆ្នាំ និង ទីកន្លែងកំណើត	សាវតារ	លេខាចារឹក ដោយសង្ខេបនៃ លិខិតសញ្ញា ឬ សាលក្រមតុលាការ	បន្ទុកលើ អចលនវត្ថុ	សេចក្តីផ្សេងៗ
១	២	៣	៤	៥	៦
(ក្រុមហ៊ុន)	<u>មើលពត៌មាននៅខាងលើ</u>		ទិញ		

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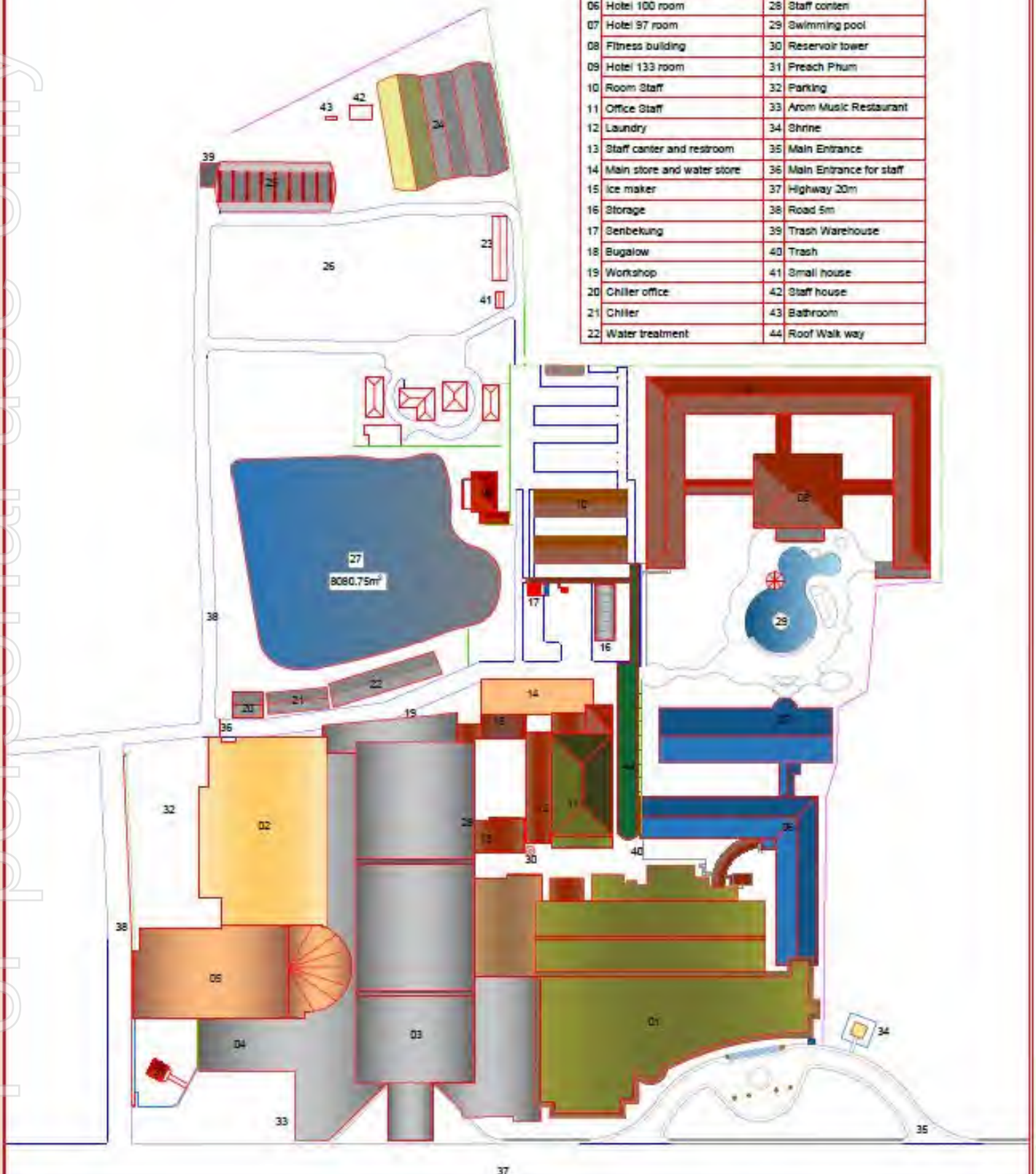
Appendix 4 As-built floor plans

LEGEND

N°	Description	N°	Description
01	Casino1	23	Storage Gas
02	Casino2	24	Warehouse St 4 St5
03	Casino3	25	Warehouse St3
04	Star City	26	Empty Land
05	Building 8,9 and star Rcade	27	Casino Lake
06	Hotel 100 room	28	Staff conten
07	Hotel 97 room	29	Swimming pool
08	Fitness building	30	Reservoir tower
09	Hotel 133 room	31	Preach Phum
10	Room Staff	32	Parking
11	Office Staff	33	Arom Music Restaurant
12	Laundry	34	Shrine
13	Staff canter and restroom	35	Main Entrance
14	Main store and water store	36	Main Entrance for staff
15	Ice maker	37	Highway 20m
16	Storage	38	Road 5m
17	Senbekung	39	Trash Warehouse
18	Bugalow	40	Trash
19	Workshop	41	Small house
20	Chiller office	42	Staff house
21	Chiller	43	Bathroom
22	Water treatment	44	Roof Walk way



SYMBOL

01 ROAD
02 FENCE

Master Plan

Scale: 1/1500

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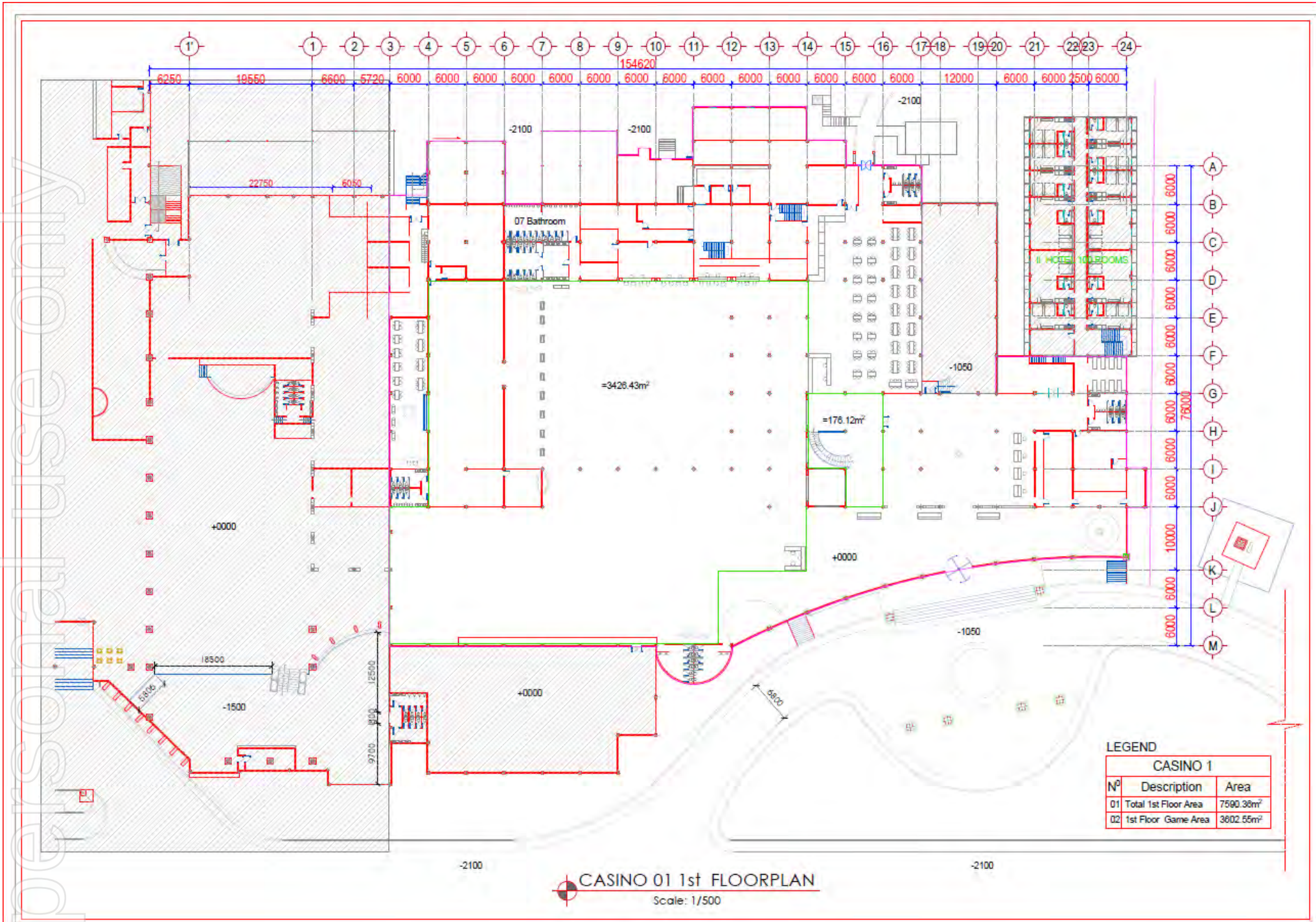

CASINO 01 1st FLOORPLAN

Scale: 1/500

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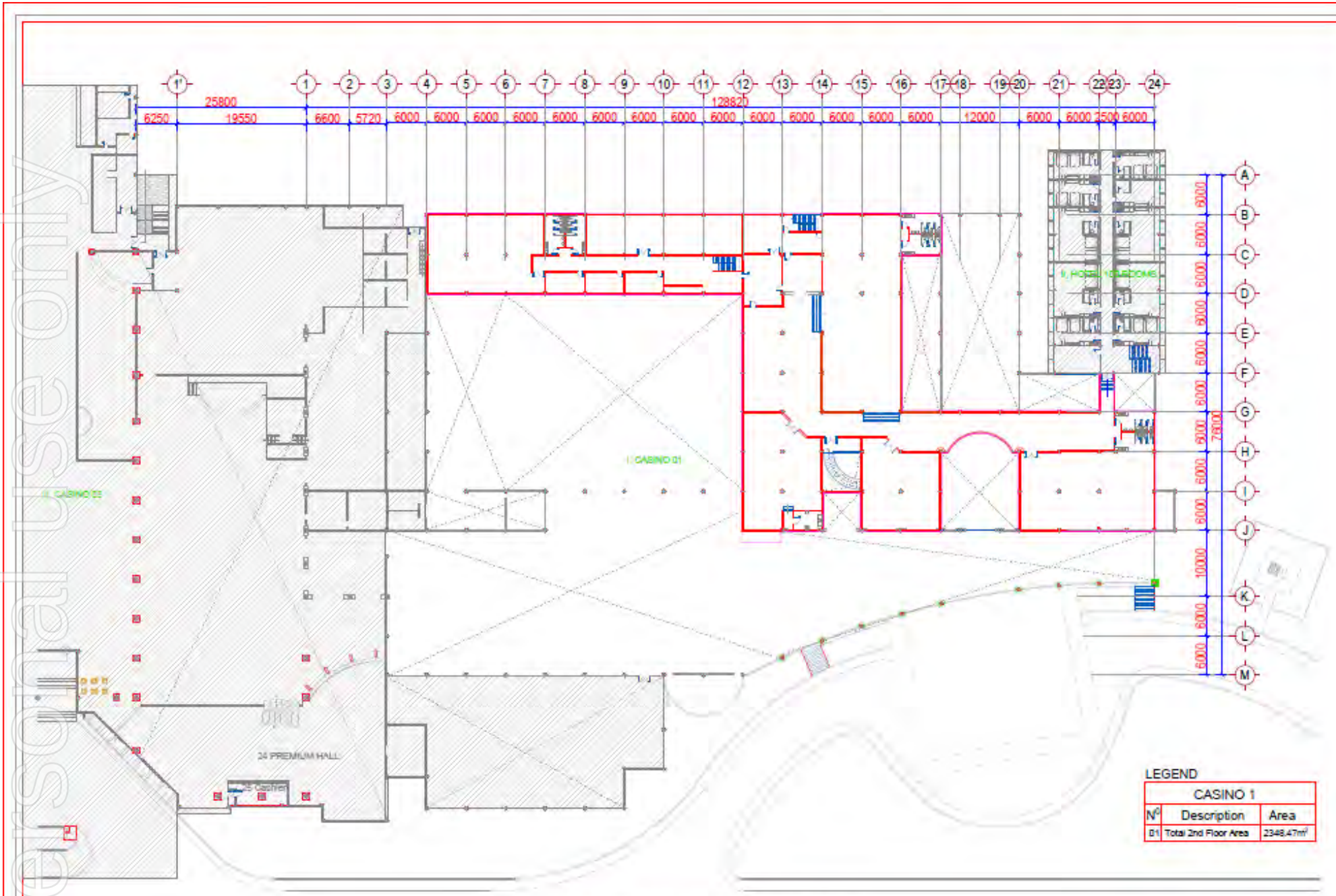
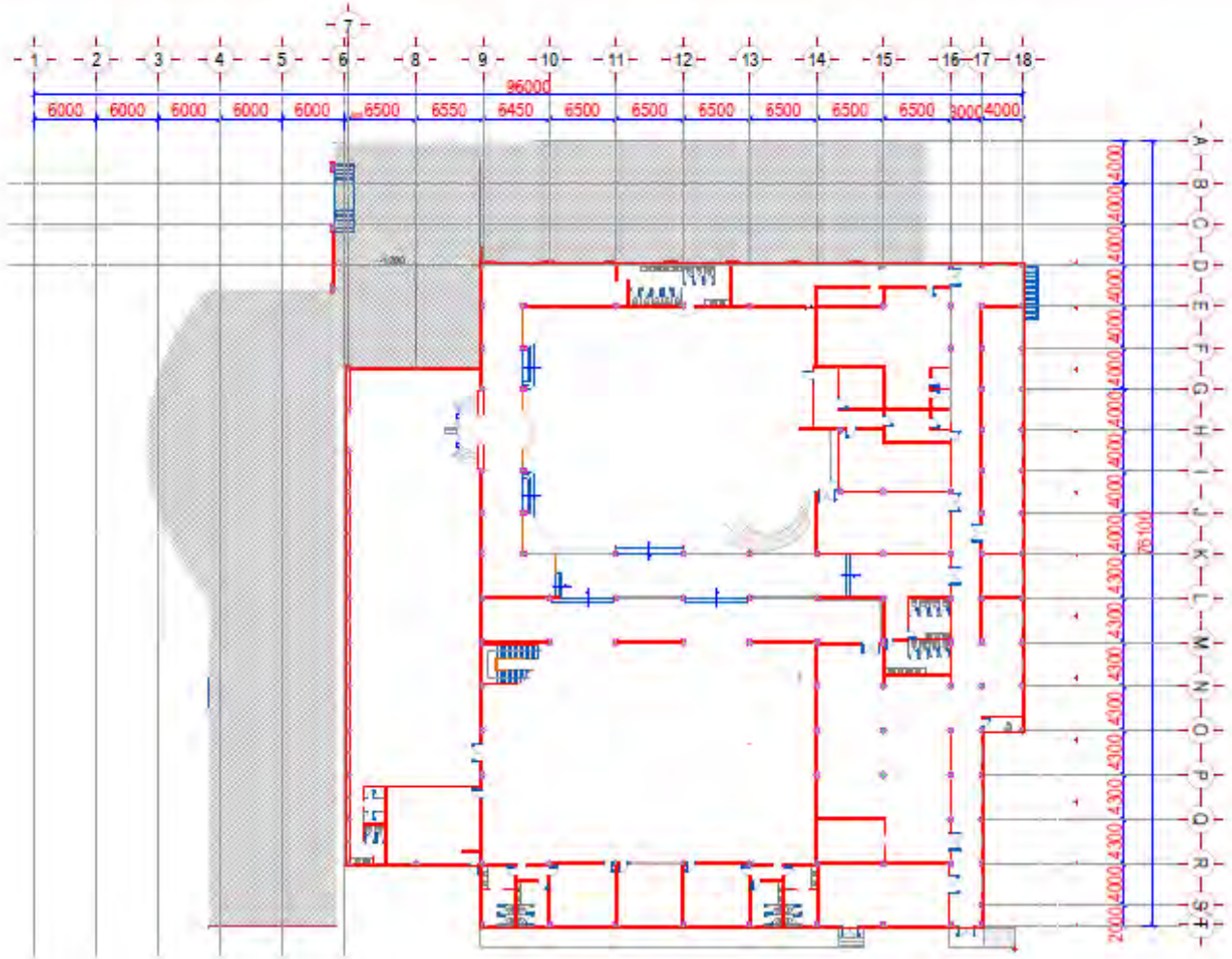


CASINO 01 2nd FLOORPLAN

Scale: 1/500

Personal Use Only



Casino2 1st Floor PLan

Scale: 1/450

LEGEND

Ground floor 3965.18m^2

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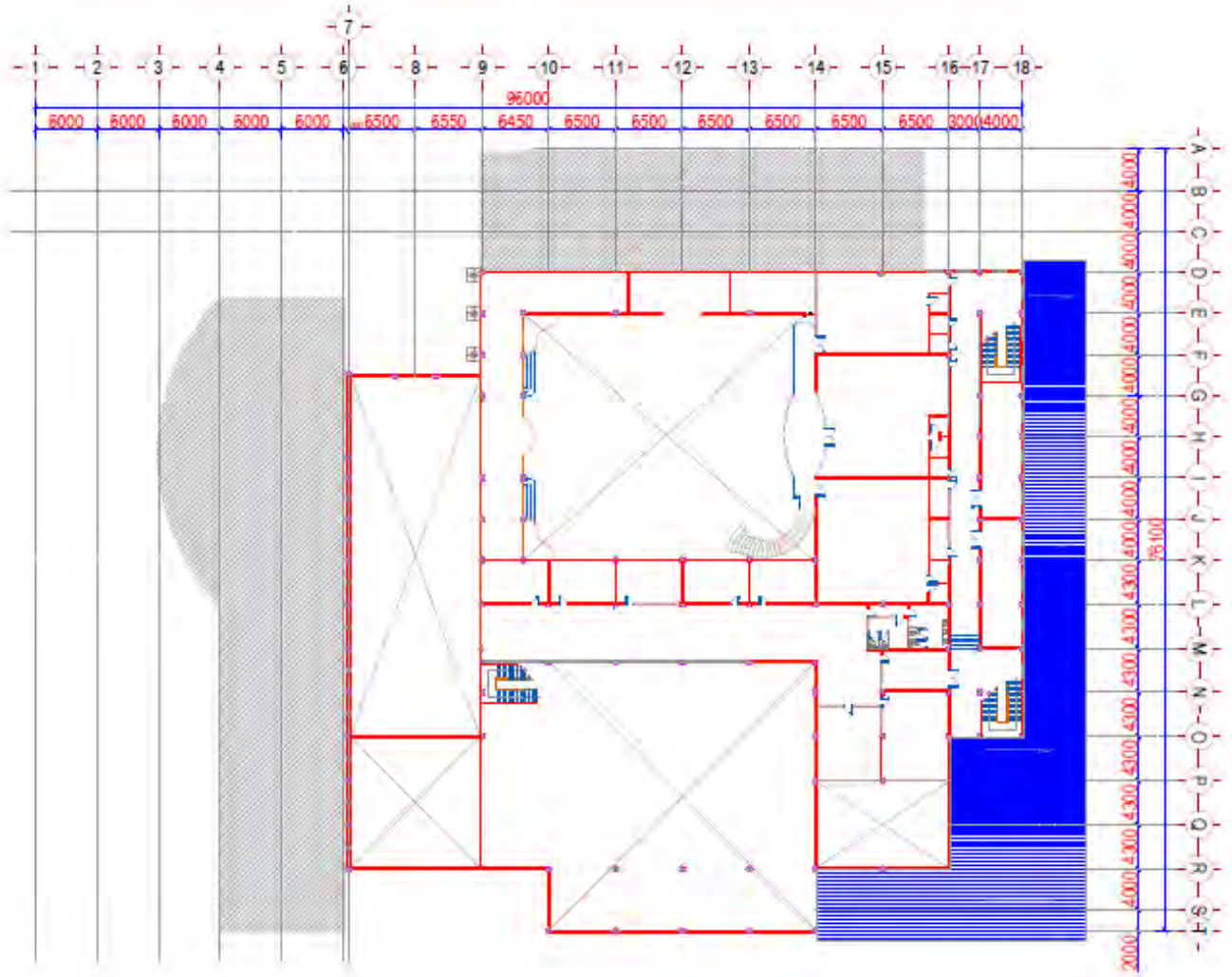

Casino2 2nd Floor plan

Scale: 1/450

LEGEND

Ground floor 1632.38m^2

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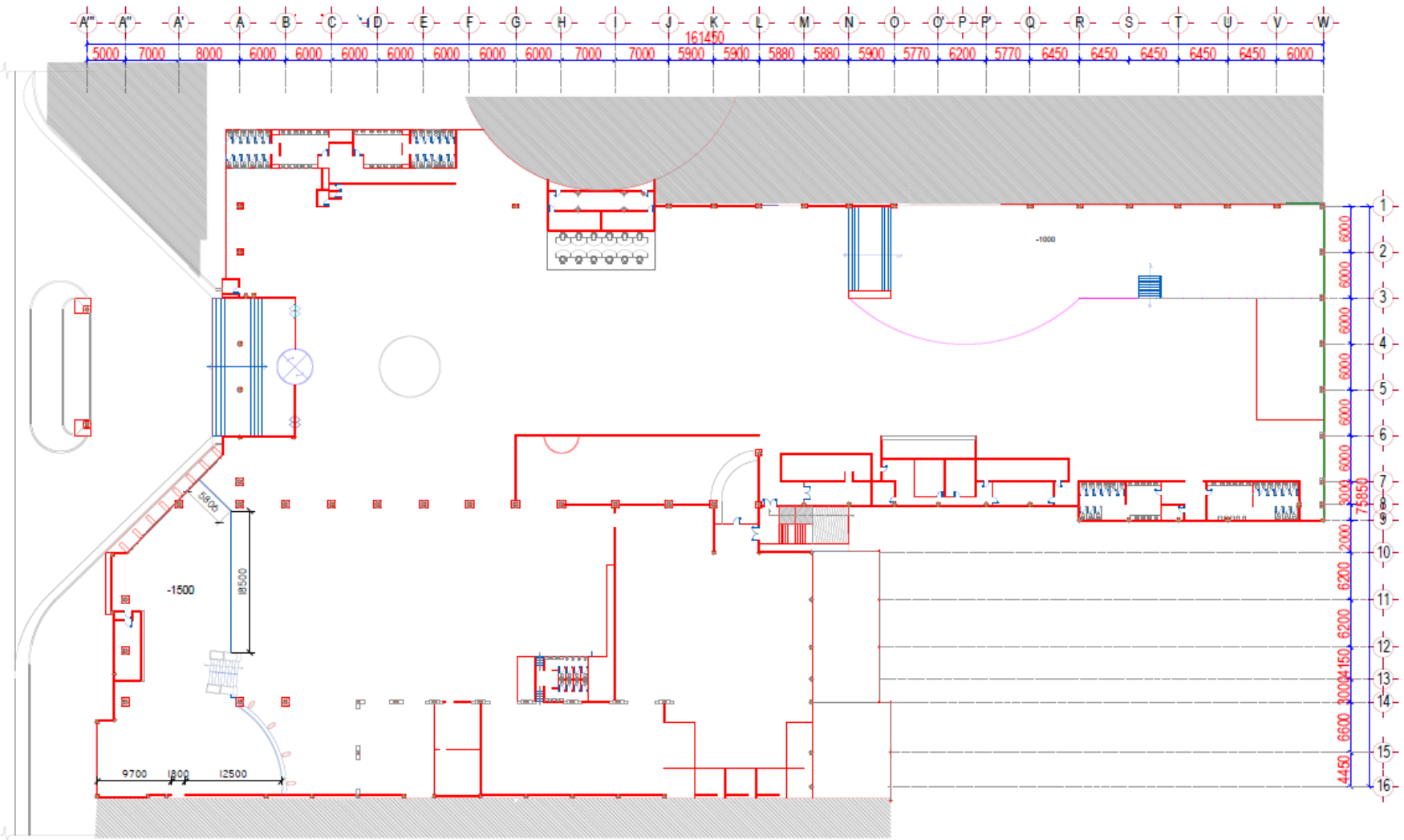

LEGEND

1st floor plan 10022.86m^2

CASINO3 1st Floor Plan

Scale: 1/500

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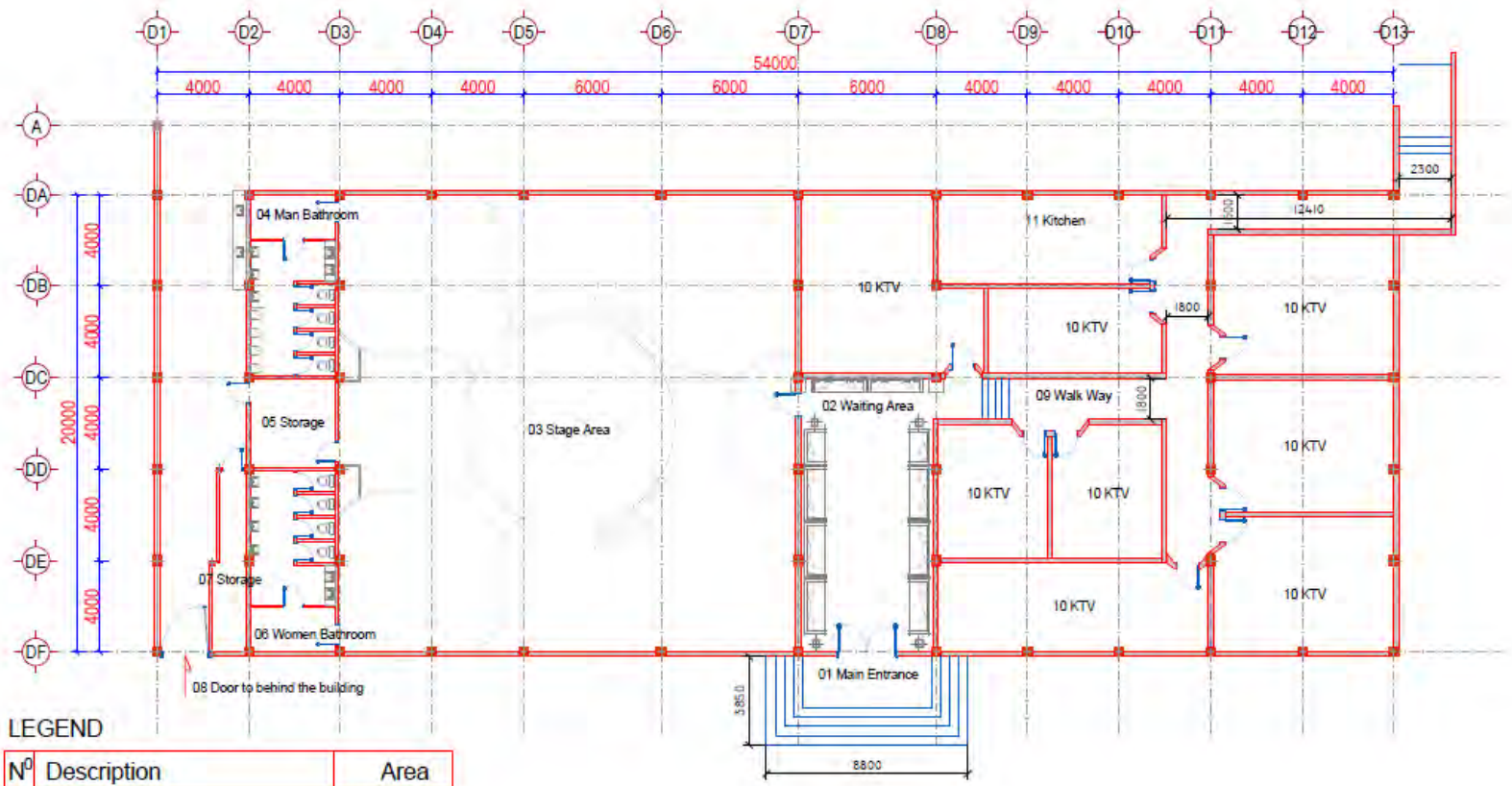

LEGEND

N^0	Description	Area
01	Main Entrance	33.88m^2
02	Waiting Area	69.24m^2
03	Stage Area	398.80m^2
04	Man Bathroom	29.22m^2
05	Storage	14.31m^2
06	Women Bathroom	29.22m^2
07	Storage	10.48m^2
08	Door to behind the building	175.89m^2
09	Walk Way	75.42m^2
10	KTV Zoon	350.87m^2
11	Kitchen	37.42m^2
12	Total Area	1276.61m^2

Ground Floor Plan

Scale: 1/200

No 4 Star City

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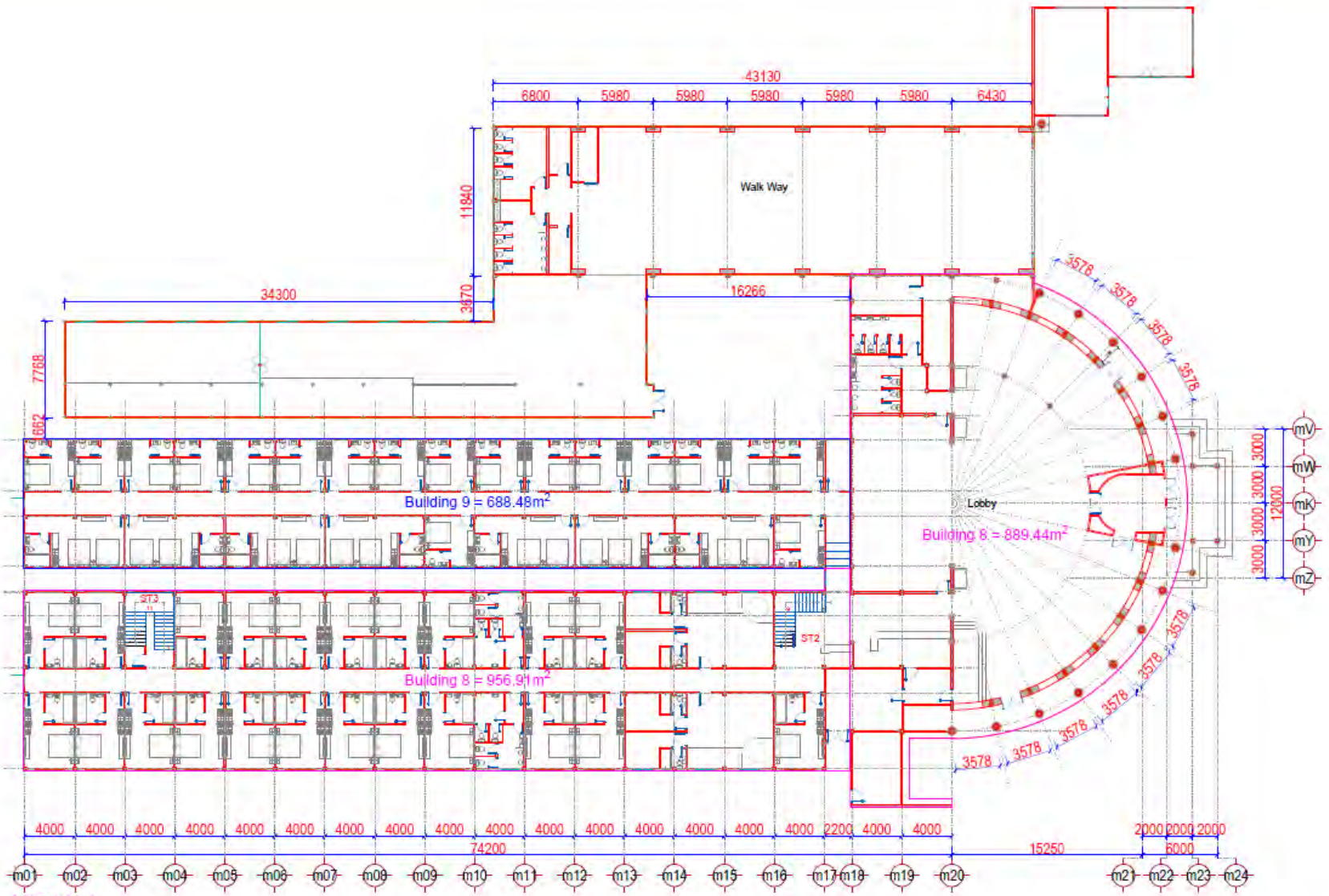


LEGEND

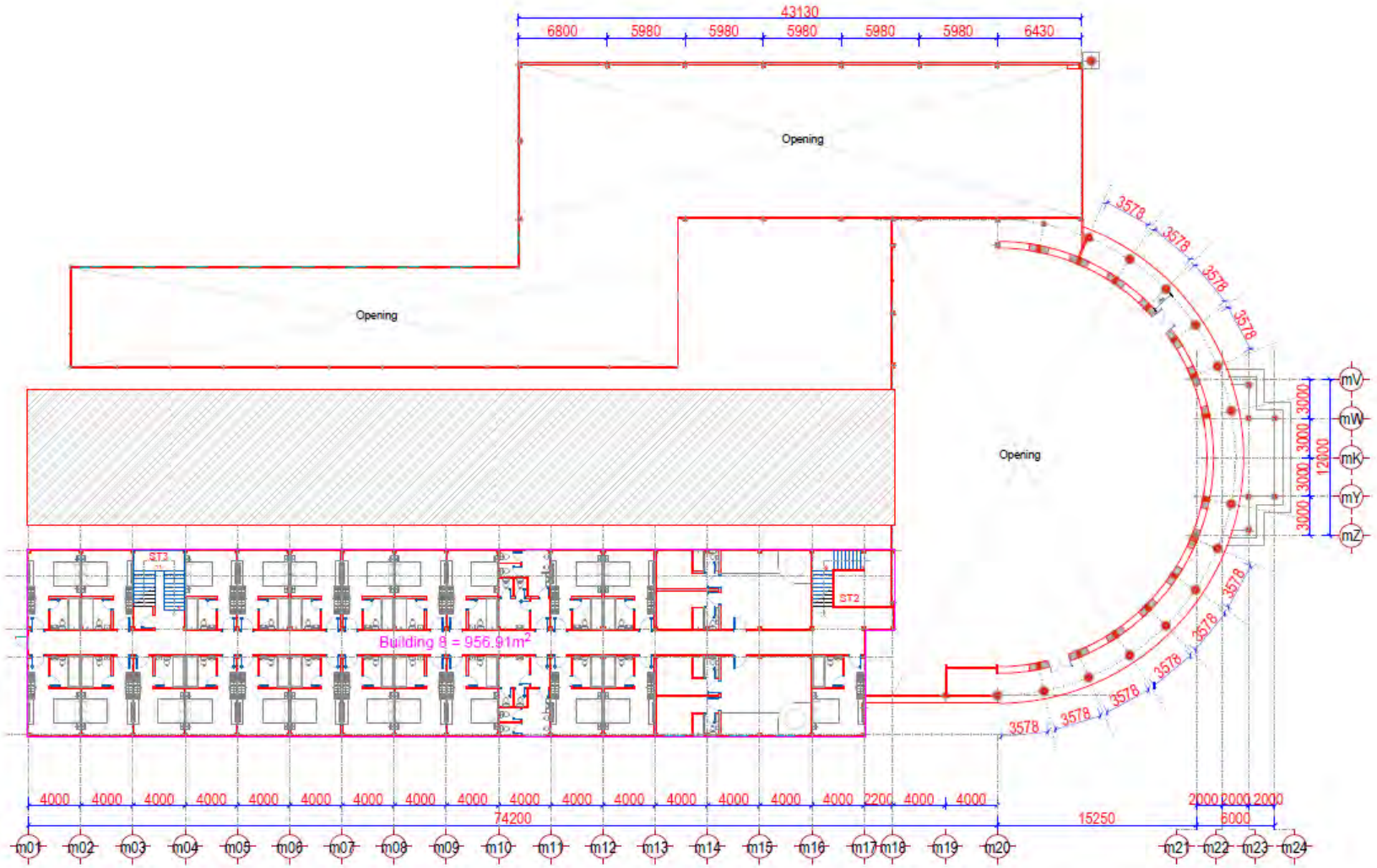
1, Total area building 8 = 1846.35m²

2, Total area building 9 = 988.48m²

No5. Building 8 and 9 1st Floor

Scale: 1/300

personal use only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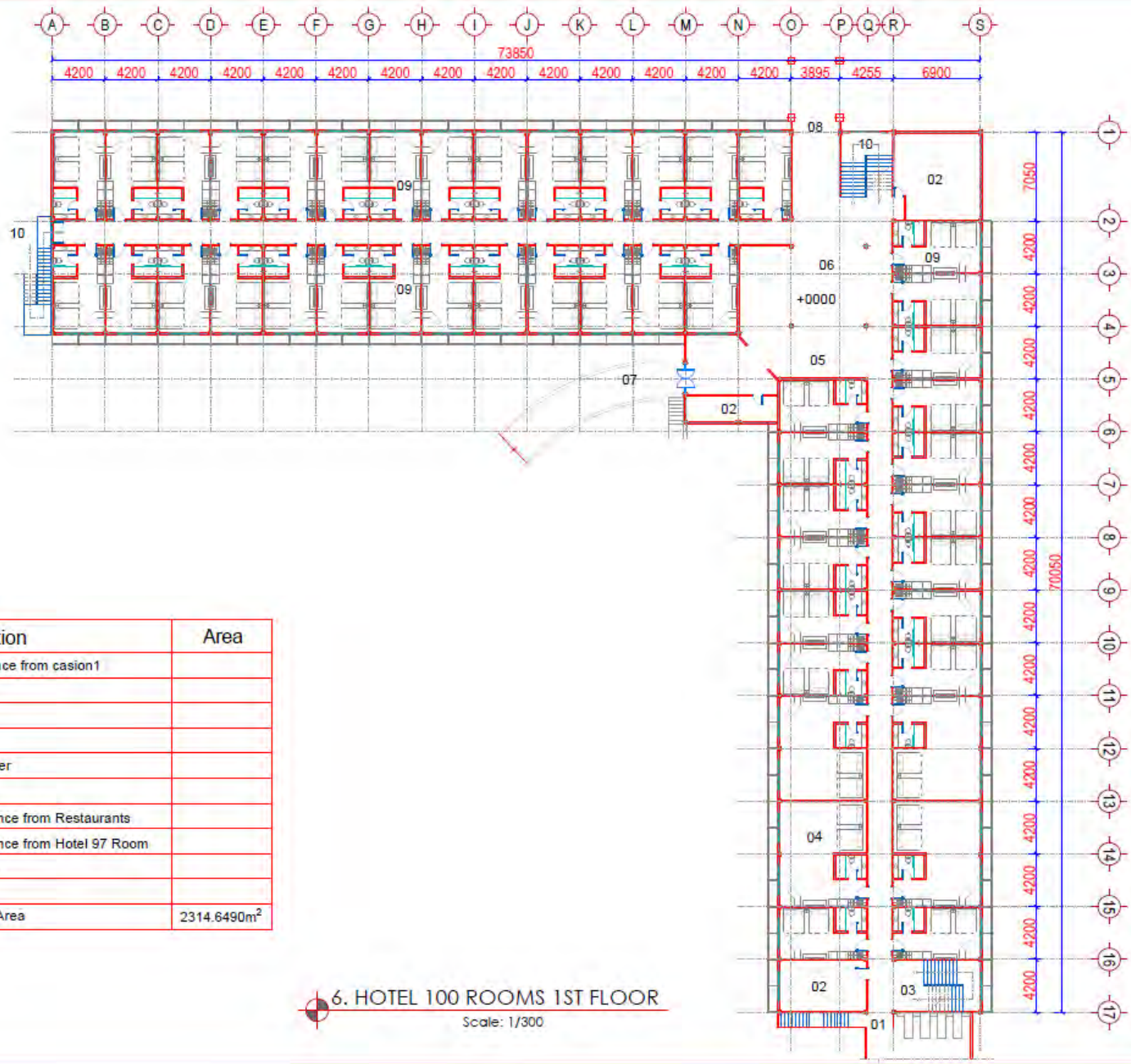

LEGEND

N⁰	Description	Area
01	Main Entrance from casion1	
02	Storage	
03	Stairs1	
04	VIP Room	
05	Cash register	
06	Hall	
07	Main Entrance from Restaurants	
08	Main Entrance from Hotel 97 Room	
09	Bed Room	
10	Stairs2	
	Total Area	2314.6490m²

6. HOTEL 100 ROOMS 1ST FLOOR

Scale: 1/300

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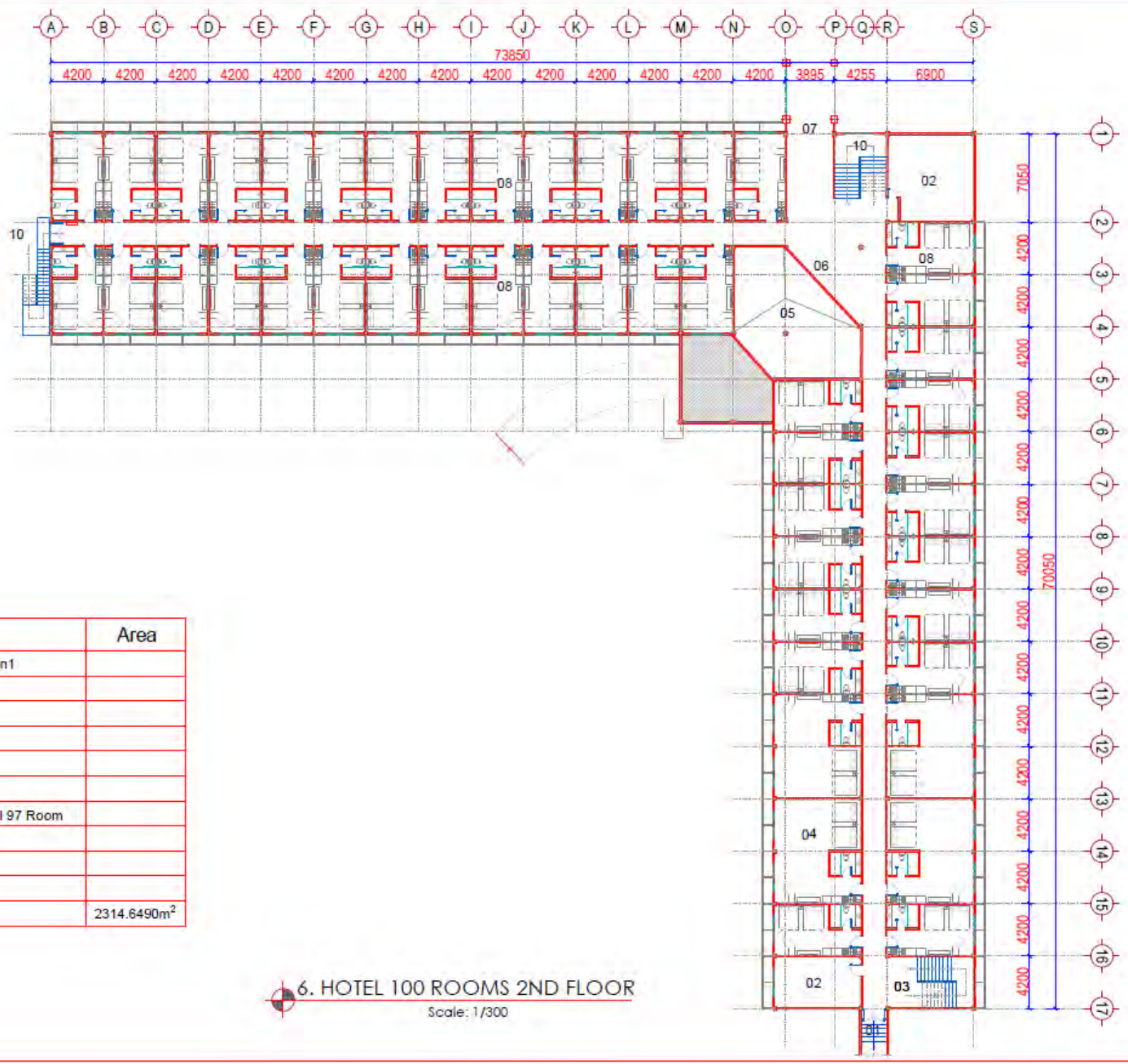

LEGEND

N⁰	Description	Area
01	Main Entrance from casion1	
02	Storage	
03	Stairs1	
04	VIP Room	
05	Opening	
06	Hall	
07	Main Entrance from Hotel 97 Room	
08	Bed Room	
09	Stairs2	
10	Fire Stairs	
	Total Area	2314.6490m^2

6. HOTEL 100 ROOMS 2ND FLOOR

Scale: 1/300

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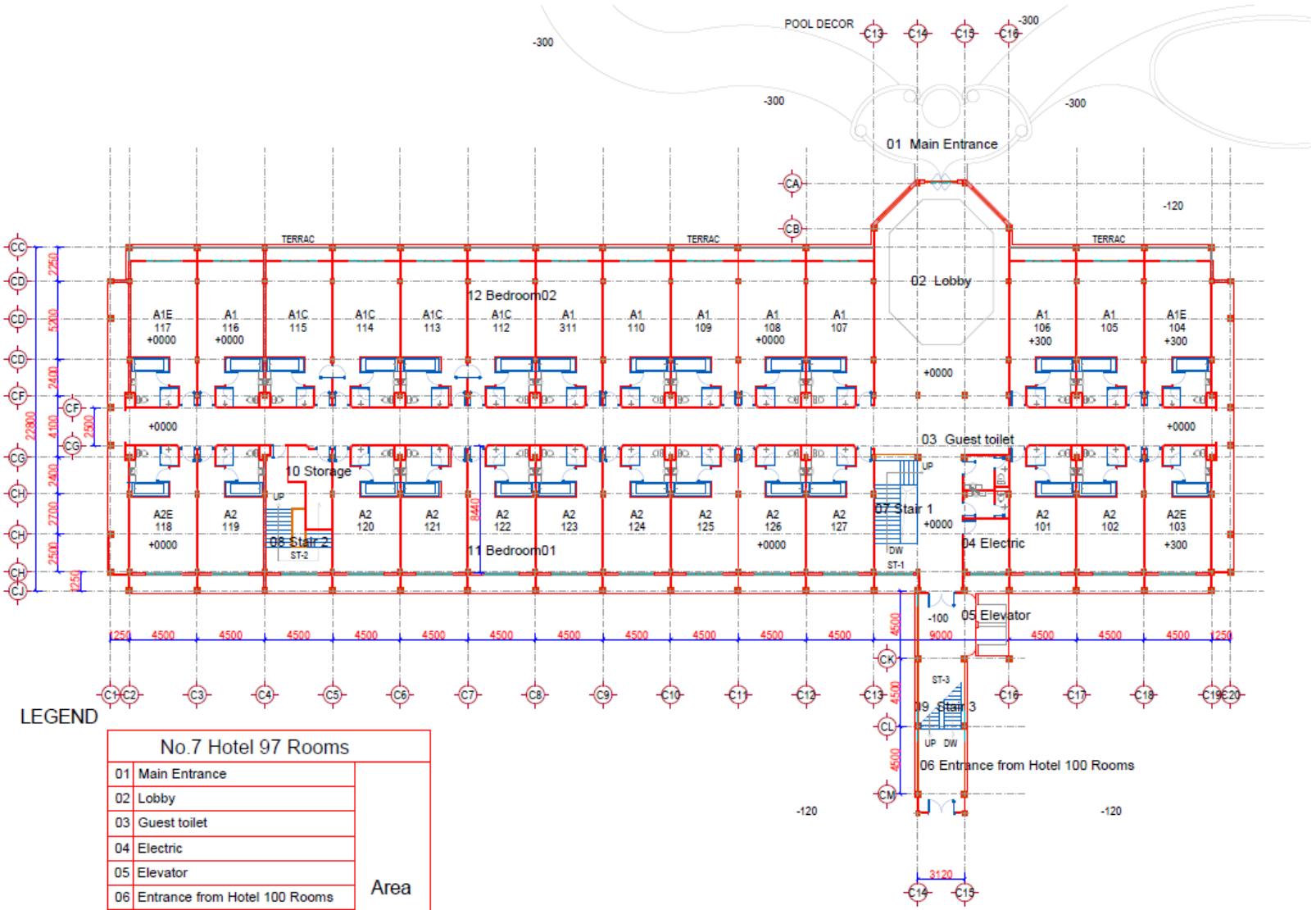
personal use only



LEGEND

No.7 Hotel 97 Rooms		
01	Main Entrance	Area
02	Lobby	
03	Guest toilet	
04	Electric	
05	Elevator	
06	Entrance from Hotel 100 Rooms	
07	Stair 1	
08	Stair 2	
09	Stair 3	
10	Storage	
11	Bedroom1	
12	Bedroom2	
Total Area of Hotel Ground floor		1804.70m^2

1st FLOOR PLAN

Scale: 1/250

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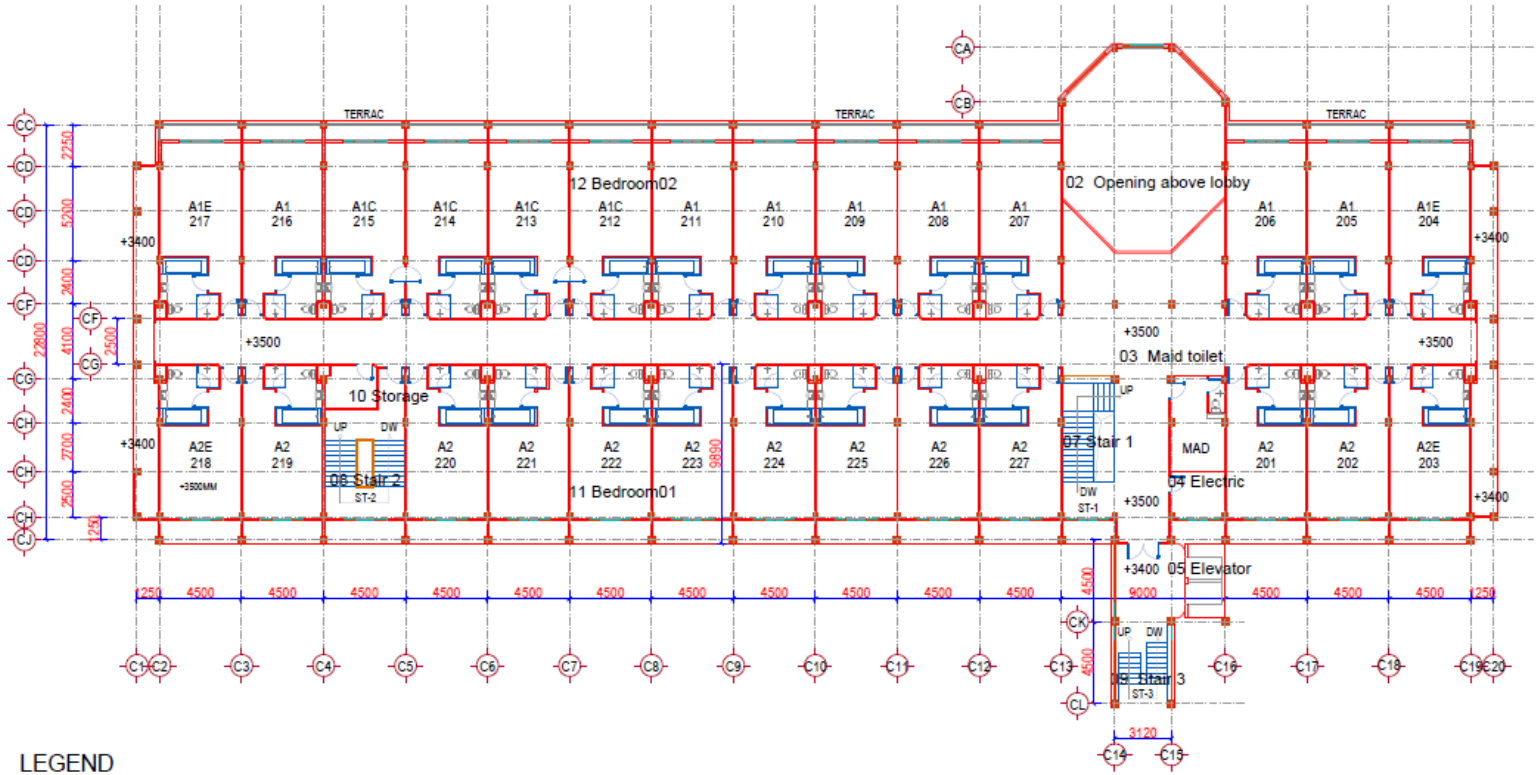
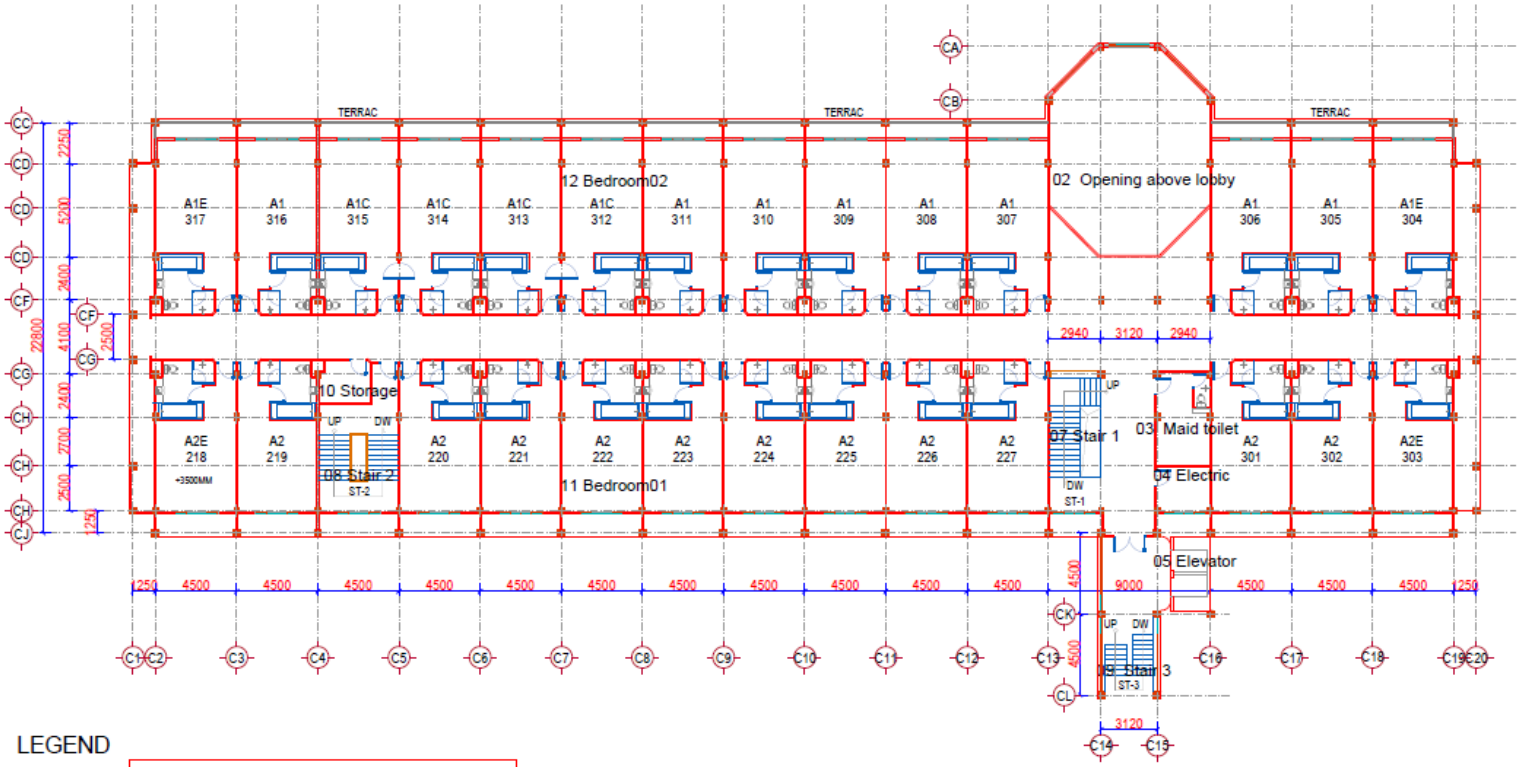


LEGEND

No.7 Hotel 97 Rooms		
N^0	Description	Area
02	Lobby	
03	Maid toilet	
04	Electric	
05	Elevator	
07	Stair 1	
08	Stair 2	
09	Stair 3	
10	Storage	
11	Bedroom1	
12	Bedroom2	
Total Area of Hotel Ground floor		1804.70m^2

2nd FLOOR PLAN

Scale: 1/250



LEGEND

No.7 Hotel 97 Rooms		
N^0	Description	Area
02	Lobby	
03	Maid toilet	
04	Electric	
05	Elevator	
07	Stair 1	
08	Stair 2	
09	Stair 3	
10	Storage	
11	Bedroom1	
12	Bedroom2	
Total Area of Hotel Ground floor		1804.70m^2

3rd FLOORPLAN
Scale: 1/250

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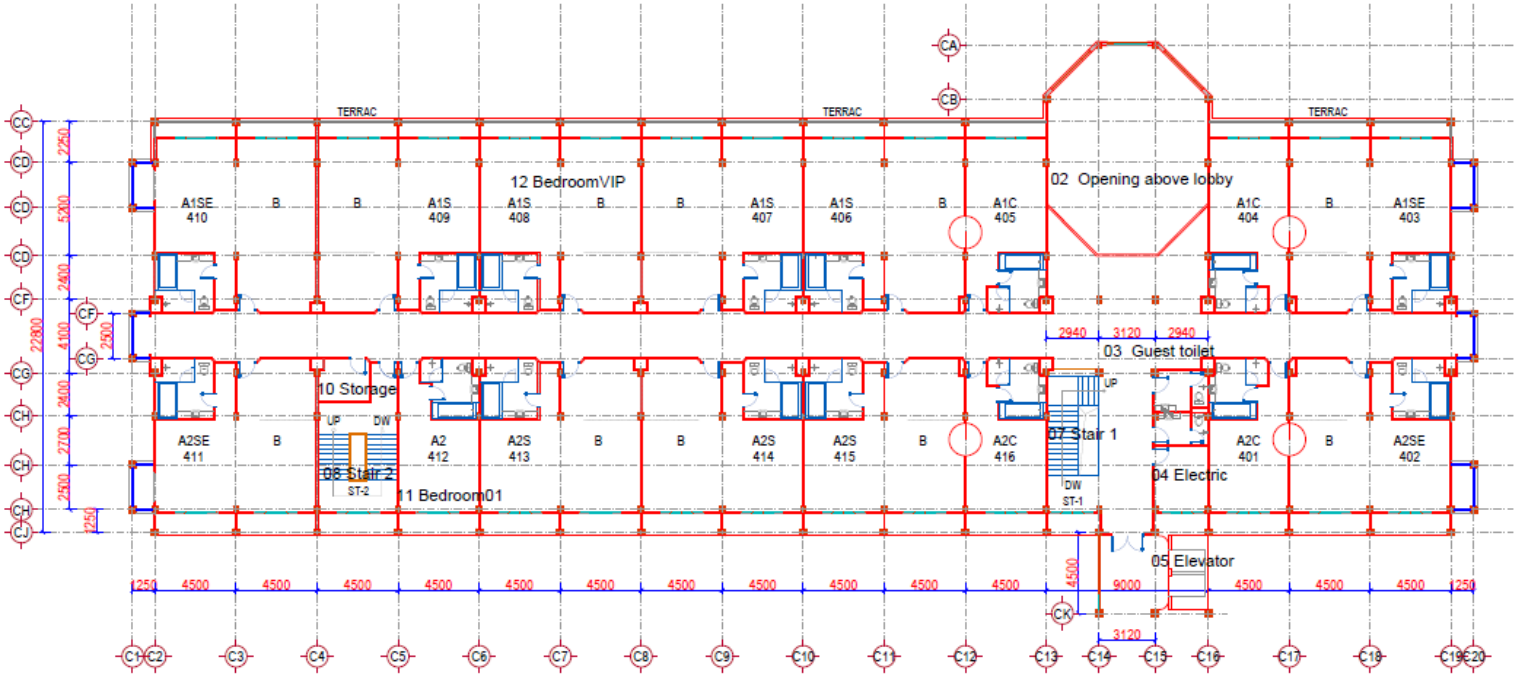

LEGEND

No.7 Hotel 97 Rooms		
N^0	Description	Area
02	Lobby	
03	Guest toilet	
04	Electric	
05	Elevator	
07	Stair 1	
08	Stair 2	
09	Stair 3	
10	Storage	
11	Bedroom1	
12	Bedroom VIP	
Total Area of Hotel Ground floor		1804.70m^2

4th FLOORPLAN

Scale: 1/250

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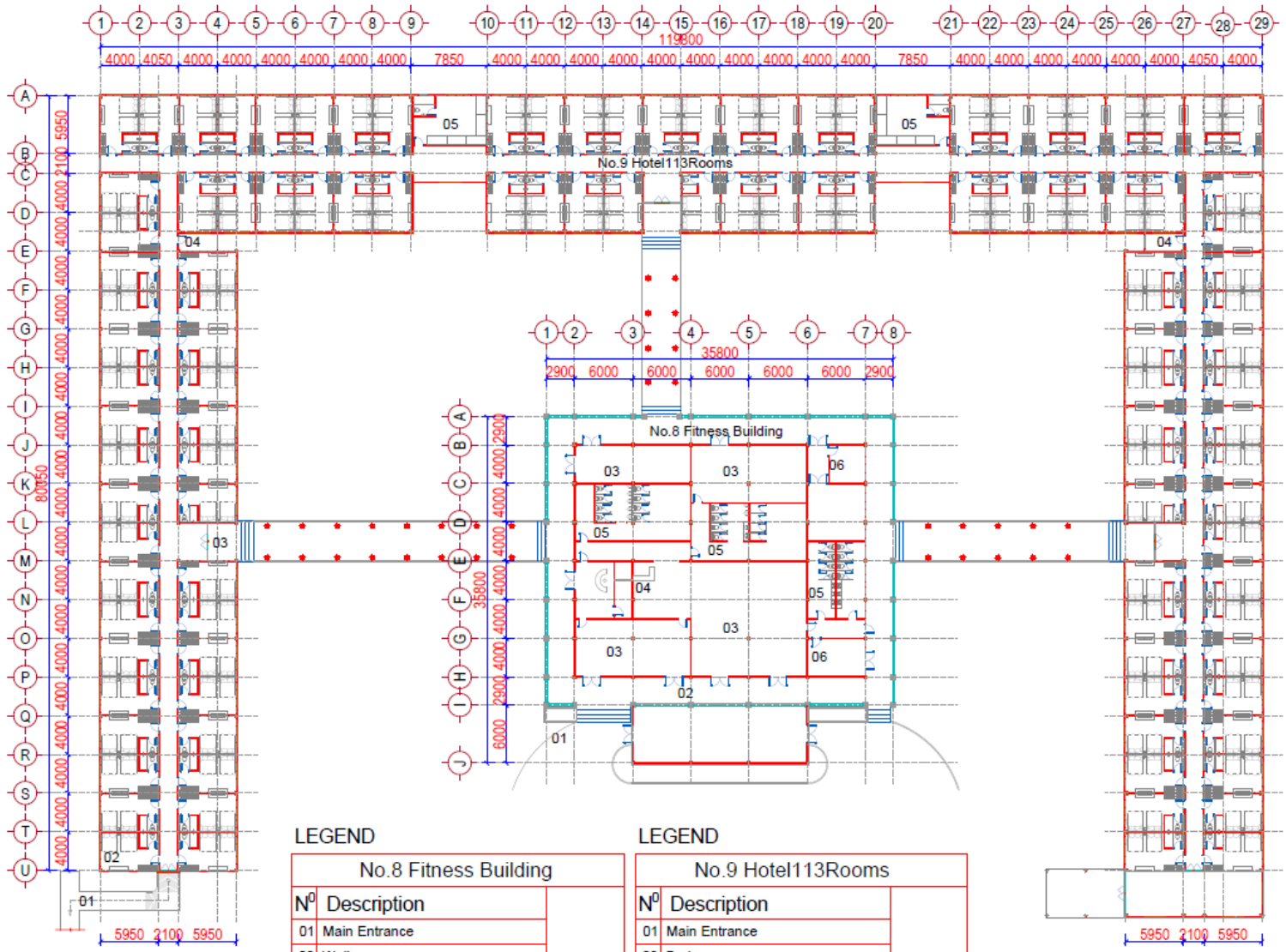

LEGEND

No.8 Fitness Building		
N⁰	Description	Area
01	Main Entrance	
02	Walk way	
03	Gym	
04	Coffee Shop	
05	Bathroom	
06	Storage	
Total Area of Fitness Building		1214.89m²

LEGEND

No.9 Hotel113Rooms		
N⁰	Description	Area
01	Main Entrance	
02	Bedroom	
03	Walk way to fitness building	
04	Storage	
05	Storage	
Total Area of hotel113 rooms		3587.82m²

No 8 And 9 Ground Floor Plan

Scale: 1/400

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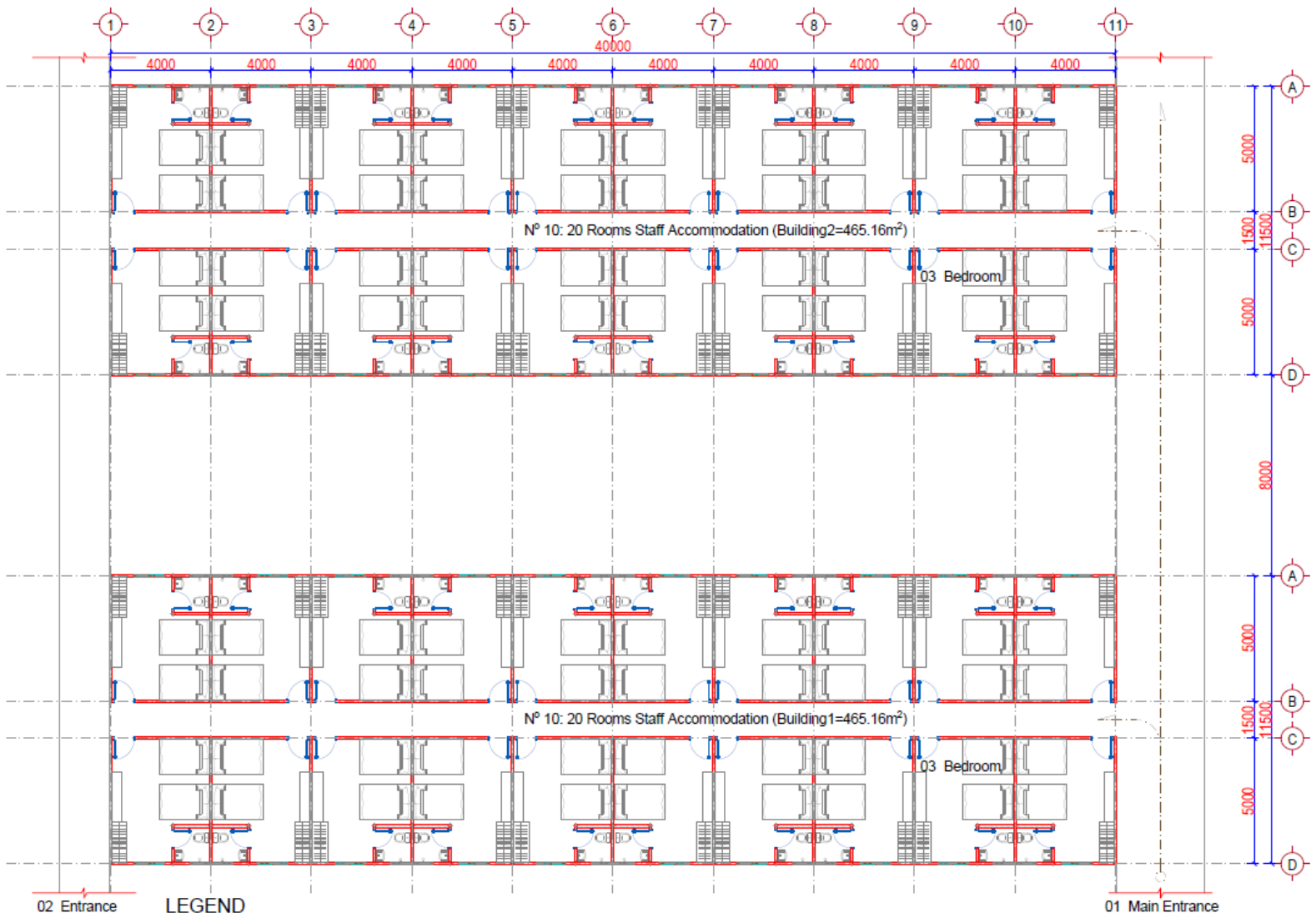


LEGEND

N⁰	Description	Area
01	Main Entrance	
02	Entrance	
03	Bedroom	
Total Area of 2 Building		930.32m²

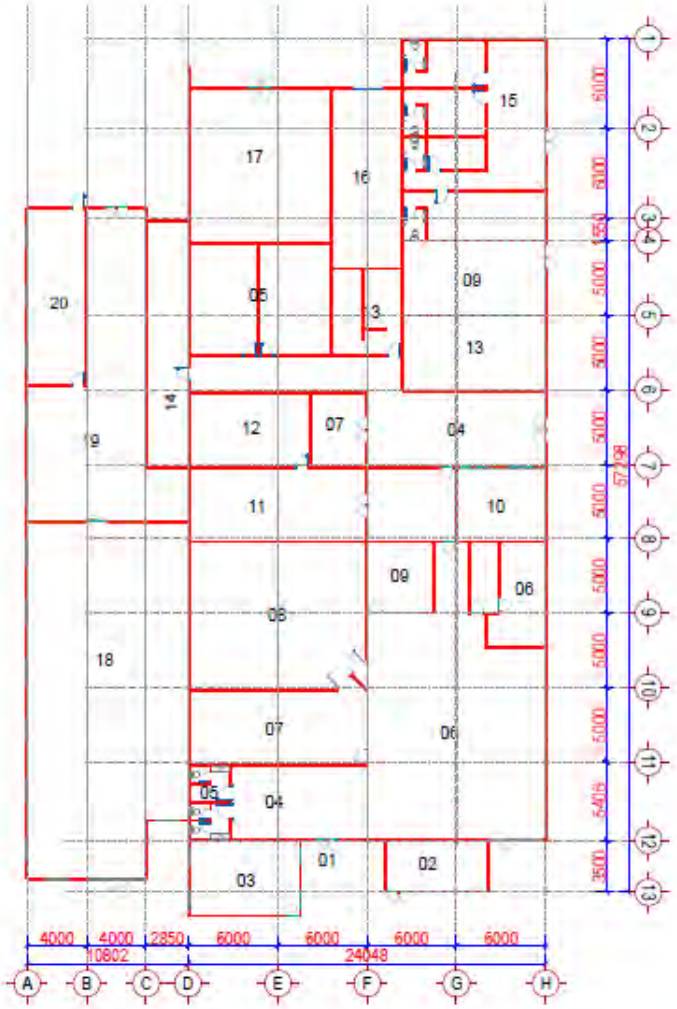
10. 20 Rooms Staff Accommodation Ground Floor Plan

Scale: 1/150

LEGEND

N⁰	Description	Area
01	Main Entrance	
02	Room for storing religious items	
03	Maintan	
04	Hall	
05	Bathroom	
06	Office	
07	Meeting room	
08	Training room	
09	Storage	
10	IT room	
11	HR room	
12	HR Stoage	
13	Locker room	
14	Locker cctv	
15	Emergency room	
16	Project Maintenance	
17	Star v room	
	Total area	1360.08m²

N⁰	Description	Area
18	Laundry	
19	Ironing Place	
20	Sewing room	
		432.57m²



Ground Floor Plan

Scale: 1/300

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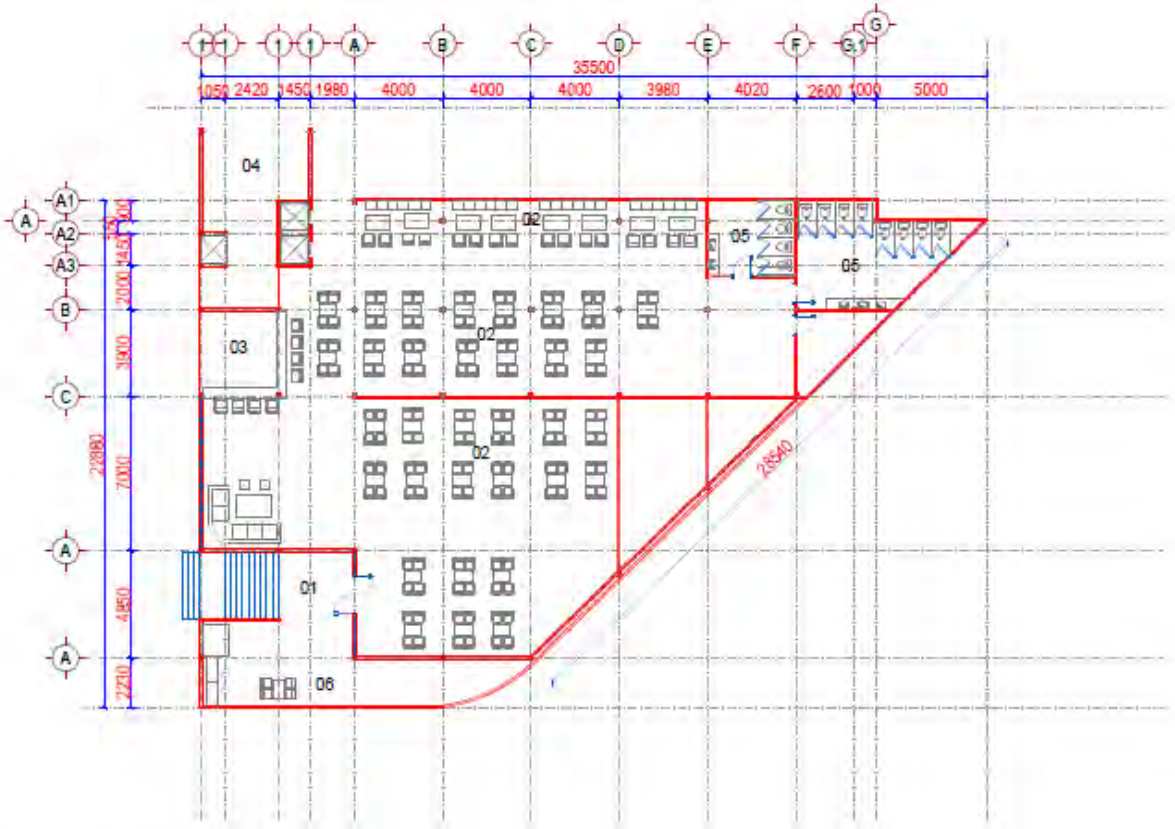

LEGEND

N^0	Description	Area
01	Main Entrance	
02	sitting area	
03	Bar and cock tail beer	
04	Kitchen	
05	Bathroom	
06	sitting out door	
	Total area	580.6356m^2

Ground Floor Plan

Scale: 1/200

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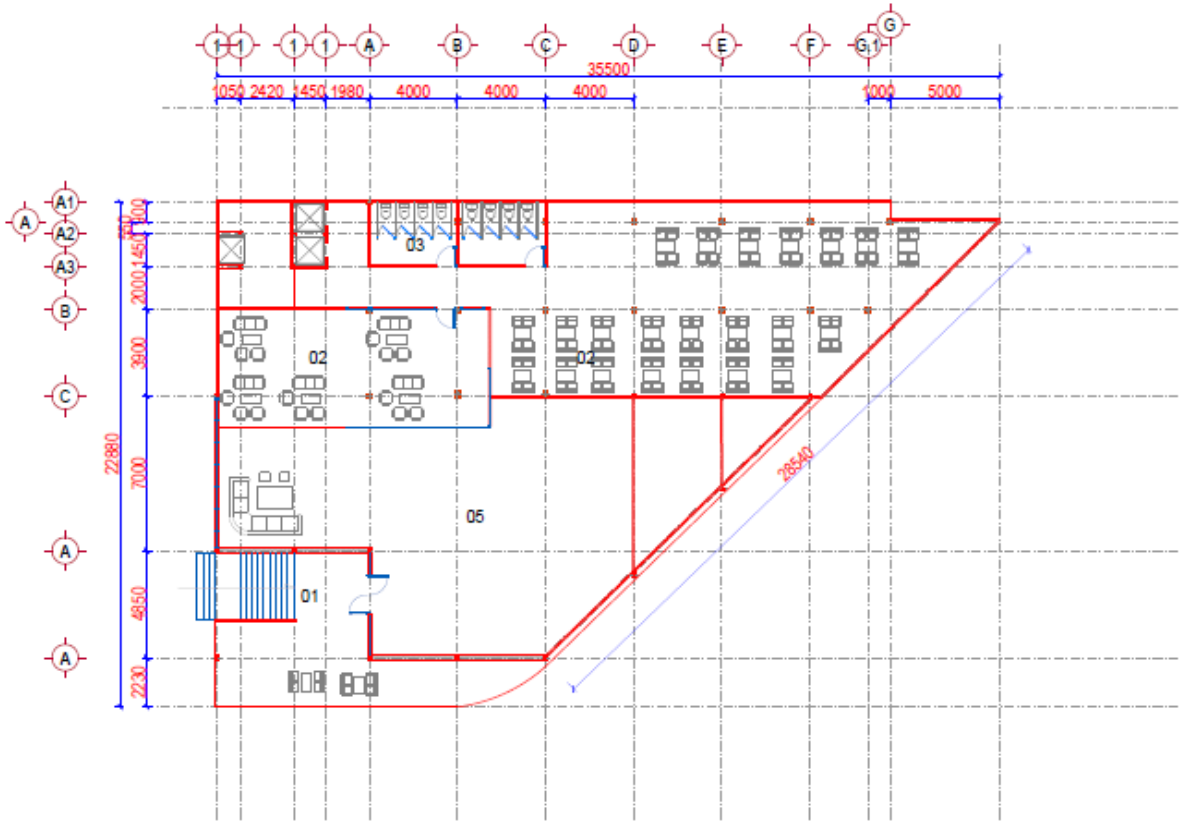

LEGEND

N^0	Description	Area
01	Main Entrance	
02	sitting area	
03	Bathroom	
04	sitting out door	
05	Hall	
	Total area	580.6356m^2

Frist Floor Plan

Scale: 1/200

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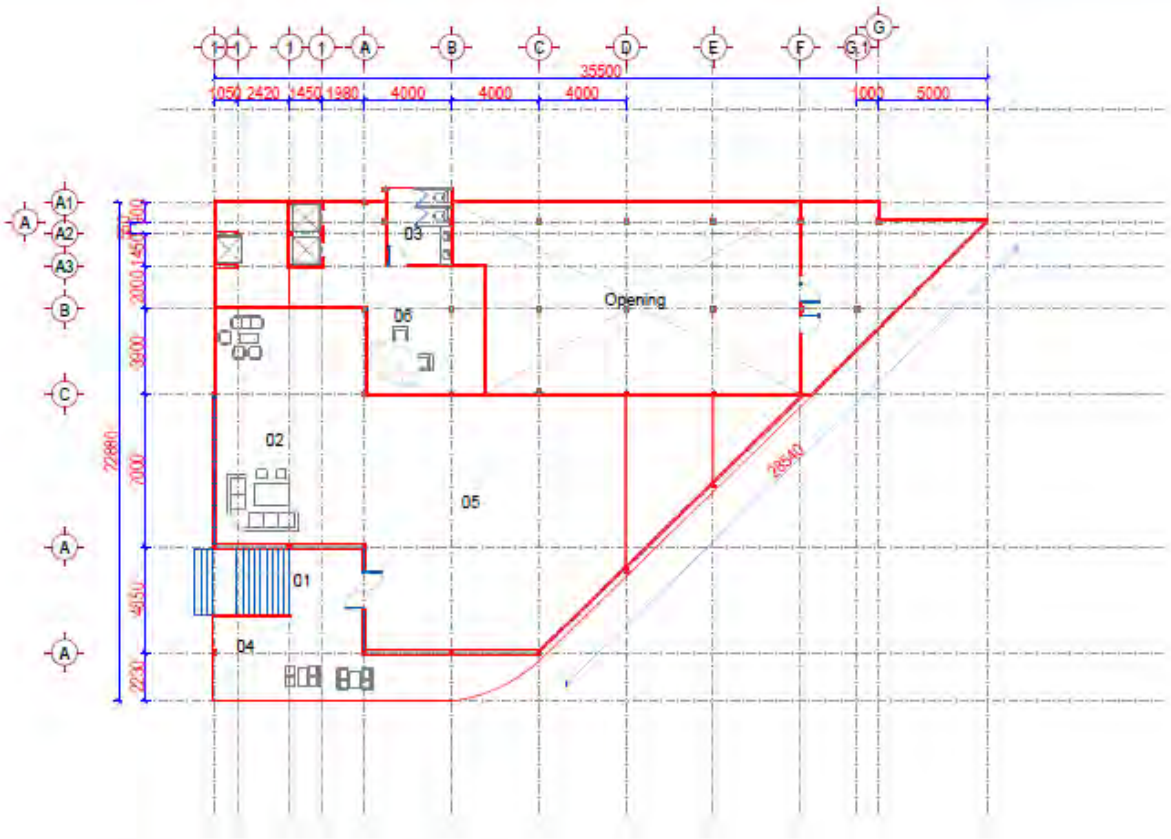

LEGEND

N^0	Description	Area
01	Main Entrance	
02	sitting area	
03	Bathroom	
04	sitting out door	
05	Hall	
06	KTV	
	Total area	580.6356m^2

Second Floor Plan

Scale: 1/200

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Appendix 5 Valuation calculation

DNA Star Vegas Resort & Club (Casino Portion) - Going Concern Basis

Valuation Date	**17-Mar-2025**
Currency	**THB**
Ex Rate as at 17 Mar 25	0.02976545

Calendar year		**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**	**Year 11**
Start date		18-Mar-2025	18-Mar-2026	18-Mar-2027	18-Mar-2028	18-Mar-2029	18-Mar-2030	18-Mar-2031	18-Mar-2032	18-Mar-2033	18-Mar-2034	18-Mar-2035
End date		17-Mar-2026	17-Mar-2027	17-Mar-2028	17-Mar-2029	17-Mar-2030	17-Mar-2031	17-Mar-2032	17-Mar-2033	17-Mar-2034	17-Mar-2035	17-Mar-2036
		Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
1. OPERATING MEASURES												
Casino Component												
- Total Table Games		39	39	39	39	39	39	39	39	39	39	39
- Total Slot Machine		532	532	532	532	532	532	532	532	532	532	532
2. P&L STATEMENT												
Casino Revenue	**THB**											
Growth Rate (%)		*-6.0%*	*-3.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Table Games (net of commission and profit sharing)		147,958,327	143,519,577	144,954,773	146,404,321	147,868,364	149,347,048	150,840,518	152,348,923	153,872,413	155,411,137	156,965,248
Growth Rate (%)		*-4.0%*	*-3.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
- Slot Machine		369,446,890	358,363,483	361,947,118	365,566,589	369,222,255	372,914,478	376,643,622	380,410,059	384,214,159	388,056,301	391,936,864
Total Revenue (THB)		**517,405,217**	**502,556,676**	**507,582,243**	**512,658,065**	**517,784,646**	**522,962,492**	**528,192,117**	**533,474,038**	**538,808,779**	**544,196,867**	**548,902,112**
Operating Expenses												
Growth Rate (%)		*4.3%*	*2.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Gaming Cost		15,522,157	15,832,600	15,990,926	16,150,835	16,312,343	16,475,467	16,640,221	16,806,624	16,974,690	17,144,437	17,315,881
Marketing Cost		15,522,157	15,832,600	15,990,926	16,150,835	16,312,343	16,475,467	16,640,221	16,806,624	16,974,690	17,144,437	17,315,881
Staff Cost		87,958,887	89,718,065	90,615,245	91,521,398	92,436,612	93,360,978	94,294,588	95,237,533	96,189,909	97,151,808	98,123,326
Property Cost		41,392,417	42,220,266	42,642,468	43,068,893	43,499,582	43,934,578	44,373,924	44,817,663	45,265,839	45,718,498	46,175,683
Travel Cost		2,587,026	2,638,767	2,665,154	2,691,806	2,718,724	2,745,911	2,773,370	2,801,104	2,829,115	2,857,406	2,885,980
Professional & Legal		2,587,026	2,638,767	2,665,154	2,691,806	2,718,724	2,745,911	2,773,370	2,801,104	2,829,115	2,857,406	2,885,980
General & Admin		20,696,209	21,110,133	21,321,234	21,534,447	21,749,791	21,967,289	22,186,962	22,408,831	22,632,920	22,859,249	23,087,841
Telecomunication		2,587,026	2,638,767	2,665,154	2,691,806	2,718,724	2,745,911	2,773,370	2,801,104	2,829,115	2,857,406	2,885,980
Total Operating Expenses (THB)		**188,852,904**	**192,629,962**	**194,556,262**	**196,501,825**	**198,466,843**	**200,451,511**	**202,456,026**	**204,480,587**	**206,525,392**	**208,590,646**	**210,676,553**
GOP (THB)		**328,552,313**	**309,926,714**	**313,025,981**	**316,156,241**	**319,317,803**	**322,510,981**	**325,736,091**	**328,993,452**	**332,283,386**	**335,606,220**	**338,225,559**
Fixed Charges												
Growth Rate (%)		*10.2%*	*-2.8%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*0.9%*
- Property insurance		7,761,078	7,538,350	7,613,734	7,689,871	7,766,770	7,844,437	7,922,882	8,002,111	8,082,132	8,162,953	8,233,532
- CGMC Gaming Tax		46,566,470	45,230,101	45,682,402	46,139,226	46,600,618	47,066,624	47,537,291	48,012,663	48,492,790	48,977,718	49,401,190
- Land Lease Rental		898,021	917,171	917,171	917,171	917,171	944,686	944,686	944,686	973,027	973,027	973,027
- FF&E reserves		20,696,209	20,102,267	20,303,290	20,506,323	20,711,386	20,918,500	21,127,685	21,338,962	21,552,351	21,767,875	21,956,084
Total Fixed Charges (THB)		**75,921,777**	**73,787,889**	**74,516,596**	**75,252,590**	**75,995,945**	**76,774,248**	**77,532,543**	**78,298,422**	**79,100,300**	**79,881,572**	**80,563,833**
Net Operating Income (THB)		**252,630,535**	**236,138,825**	**238,509,385**	**240,903,650**	**243,321,858**	**245,736,734**	**248,203,548**	**250,695,030**	**253,183,087**	**255,724,648**	**257,661,726**
Discount rate @	26.0%	0.793651	0.629882	0.499906	0.396751	0.314882	0.249906	0.198338	0.157411	0.124930	0.099150	0.078691
Terminal cap @	25.0%											4.00
Present Value		$ 200,500,425	$ 148,739,497	$ 119,232,277	$ 95,578,718	$ 76,617,575	$ 61,411,091	$ 49,228,224	$ 39,462,206	$ 31,630,043	$ 25,355,206	$ 20,275,609

DNA Star Vegas Resort & Club (Casino Portion) - Going Concern Basis

NPV	$	928,857,697
MV Say (THB)	$	929,000,000
MV Say (USD)	**$**	**27,650,000**

personal

DNA Star Vegas Resort & Club (Hotel Portion) - Going Concern Basis

Date of Valuation: 17-Mar-2025

ADR (all rooms): US$40
Operational Rooms: 199
Non-Operational Rooms: 383

			Growth Rates	2025		2026		2027		2028		2029		2030		2031		2032		2033		2034			
PERIOD		**Used in Cash Flow**	Per annum	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Year 10		TERMINAL	
Occupancy			2.0%	50.0%		52.0%		54.0%		56.0%		58.0%		58.0%		58.0%		58.0%		58.0%		58.0%		58.0%	
Rooms				199		199		199		199		199		199		199		199		199		199		199	
Average Room Rate	*Less growth due to less F&B offerings*		1.0%	USD 40		USD 40		USD 41		USD 41		USD 42		USD 42		USD 42		USD 43		USD 43		USD 44		USD 44	
Rooms Occupied				36,318		37,770		39,223		40,787		42,128		42,128		42,128		42,244		42,128		42,128		42,128	
No. of Days				365		365		365		366		365		365		365		366		365		365		365	
Rooms Available				72,635		72,635		72,635		72,834		72,635		72,635		72,635		72,834		72,635		72,635		72,635	
REVENUES				Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %
Rooms				1,452,700	65.0%	1,525,916	63.8%	1,600,451	63.1%	1,680,917	62.3%	1,753,555	62.0%	1,771,091	61.4%	1,788,802	60.7%	1,811,639	60.0%	1,824,756	59.3%	1,843,004	58.6%	1,843,004	58.0%
Food & Beverage				446,985	20.0%	478,810	20.0%	512,142	20.2%	548,543	20.3%	583,579	20.6%	601,086	20.8%	619,119	21.0%	639,439	21.2%	656,823	21.3%	676,528	21.5%	676,528	21.3%
Other Operated Dept. (spa, telephone, laundry)			3 - 15%	335,238	15.0%	385,524	16.1%	424,077	16.7%	466,484	17.3%	489,809	17.3%	514,299	17.8%	540,014	18.3%	567,015	18.8%	595,365	19.3%	625,134	19.9%	656,390	20.7%
Other Income & Rental			1.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Revenue				**2,234,923**	**100.0%**	**2,390,250**	**100.0%**	**2,536,670**	**100.0%**	**2,695,944**	**100.0%**	**2,826,942**	**100.0%**	**2,886,476**	**100.0%**	**2,947,934**	**100.0%**	**3,018,093**	**100.0%**	**3,076,945**	**100.0%**	**3,144,665**	**100.0%**	**3,175,922**	**100.0%**
Food & Beverage (Average check)			*3.0%*	*5.5*		*5.6*		5.80		*6.0*		6.16		6.34		6.53		6.73		6.93		7.14		*7.14*	
F&B Covers	*1.5 guests / 1.5 meals*			*81,714*		*84,983*		*88,252*		*91,771*		*94,789*		*94,789*		*94,789*		*95,048*		*94,789*		*94,789*		*94,789*	
RevPAR	*5-year CAGR*	*3.84%*		*20.00*		*21.01*		*22.03*		*23.08*		*24.14*		*24.38*		*24.63*		*24.87*		*25.12*		*25.37*		*25.37*	
DEPARTMENTAL COSTS & EXPENSES		***Industry Std***																							
Rooms		*15-30%*	*1.00%*	363,175	25.0%	366,220	24.0%	368,104	23.0%	369,802	22.0%	368,247	21.0%	354,218	20.0%	357,760	20.0%	362,328	20.0%	364,951	20.0%	368,601	20.0%	368,601	20.0%
Food & Beverage	*Min 30%*	*35-50%*	*2.00%*	223,492	50.0%	229,829	48.0%	235,586	46.0%	241,359	44.0%	245,103	42.0%	240,434	40.0%	235,265	38.0%	230,198	36.0%	223,320	34.0%	216,489	32.0%	216,489	32.0%
Other Operated Dept. (spa, telephone, laundry)		*30-50%*	*1.00%*	134,095	40.0%	150,354	39.0%	161,149	38.0%	172,599	37.0%	176,331	36.0%	180,005	35.0%	183,605	34.0%	187,115	33.0%	190,517	32.0%	193,791	31.0%	203,481	31.0%
Other Income & Rental	*Min 25%*	*25-35%*	*1.00%*	0	30.0%	0	29.0%	0	28.0%	0	27.0%	0	26.0%	0	25.0%	0	25.0%	0	25.0%	0	25.0%	0	25.0%	0	25.0%
Total Costs Of Sales				**720,763**	**32.3%**	**746,403**	**31.2%**	**764,838**	**30.2%**	**783,760**	**29.1%**	**789,681**	**27.9%**	**774,657**	**26.8%**	**776,630**	**26.3%**	**779,641**	**25.8%**	**778,788**	**25.3%**	**778,881**	**24.8%**	**788,571**	24.8%
DEPARTMENTAL GROSS INCOME																									
Rooms				1,089,525	75.0%	1,159,696	76.0%	1,232,347	77.0%	1,311,115	78.0%	1,385,309	79.0%	1,416,873	80.0%	1,431,041	80.0%	1,449,312	80.0%	1,459,805	80.0%	1,474,403	80.0%	1,474,403	80.0%
Food & Beverage				223,492	50.0%	248,981	52.0%	276,557	54.0%	307,184	56.0%	338,476	58.0%	360,652	60.0%	383,854	62.0%	409,241	64.0%	433,503	66.0%	460,039	68.0%	460,039	68.0%
Telephone & Fax				201,143	60.0%	235,170	61.0%	262,928	62.0%	293,885	63.0%	313,477	64.0%	334,294	65.0%	356,409	66.0%	379,900	67.0%	404,848	68.0%	431,342	69.0%	452,909	69.0%
Other Income & Rental				-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Total Gross Income				**1,514,160**	**67.8%**	**1,643,847**	**68.8%**	**1,771,832**	**69.8%**	**1,912,184**	**70.9%**	**2,037,262**	**72.1%**	**2,111,819**	**73.2%**	**2,171,304**	**73.7%**	**2,238,453**	**74.2%**	**2,298,157**	**74.7%**	**2,365,784**	**75.2%**	**2,387,351**	75.2%
UNDISTRIBUTED OPERATING EXPENSES (GR)																									
Administration & General		8.0%	*0.25%*	145,270	8.0%	149,391	7.8%	152,200	7.5%	155,017	7.3%	155,482	7.0%	151,540	6.8%	147,397	6.5%	143,359	6.3%	138,463	6.0%	133,648	5.8%	134,977	5.8%
Sale and Marketing		7.0%	*0.25%*	156,445	7.0%	161,342	6.8%	164,884	6.5%	168,497	6.3%	169,617	6.0%	173,189	6.0%	176,876	6.0%	181,086	6.0%	184,617	6.0%	188,680	6.0%	190,555	6.0%
Property Operation & Maintenance		3.0%	*0.25%*	67,048	3.0%	77,683	3.3%	88,783	3.5%	101,098	3.8%	113,078	4.0%	115,459	4.0%	117,917	4.0%	120,724	4.0%	123,078	4.0%	125,787	4.0%	127,037	4.0%
Utilities		9.0%	*0.25%*	201,143	9.0%	209,147	8.8%	215,617	8.5%	222,415	8.3%	226,155	8.0%	223,702	7.8%	221,095	7.5%	218,812	7.3%	215,386	7.0%	212,265	6.8%	214,375	6.8%
Total Undistributed Operating Expenses				569,905	25.5%	597,563	25.0%	621,484	24.5%	647,027	24.0%	664,331	23.5%	663,889	23.0%	663,285	22.5%	663,981	22.0%	661,543	21.5%	660,380	21.0%	666,944	21.0%
HOUSE PROFIT / EBITDA				**944,255**	**42.3%**	**1,046,285**	**43.8%**	**1,150,348**	**45.3%**	**1,265,158**	**46.9%**	**1,372,930**	**48.6%**	**1,447,929**	**50.2%**	**1,508,019**	**51.2%**	**1,574,472**	**52.2%**	**1,636,614**	**53.2%**	**1,705,405**	**54.2%**	**1,720,408**	**54.2%**
Marketing Fee		0.0%		0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Management Fee		0.0%		0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
GROSS OPERATING PROFIT				**944,255**	**42.3%**	**1,046,285**	**43.8%**	**1,150,348**	**45.3%**	**1,265,158**	**46.9%**	**1,372,930**	**48.6%**	**1,447,929**	**50.2%**	**1,508,019**	**51.2%**	**1,574,472**	**52.2%**	**1,636,614**	**53.2%**	**1,705,405**	**54.2%**	**1,720,408**	**54.2%**
OVERHEAD EXPENSES																									
Rates & Taxes																									
- Value Added Tax		10.00%		223,492	10.0%	239,025	10.0%	253,667	10.0%	269,594	10.0%	282,694	10.0%	288,648	10.0%	294,793	10.0%	301,809	10.0%	307,694	10.0%	314,467	10.0%	317,592	10.0%
- Accommodation Tax		2.00%		29,054	1.3%	30,518	1.3%	32,009	1.3%	33,618	1.2%	35,071	1.2%	35,422	1.2%	35,776	1.2%	36,233	1.2%	36,495	1.2%	36,860	1.2%	36,860	1.2%
- Public Lighting Tax	Tax on alcohol and tobacco	5.00%		11,175	0.5%	11,970	0.5%	12,804	0.5%	13,714	0.5%	14,589	0.5%	15,027	0.5%	15,478	0.5%	15,986	0.5%	16,421	0.5%	16,913	0.5%	16,913	0.5%
Land Lease Rental																									
- Casino	*Calculated based on the income distribution between casino vs hotel.*				*89.1%*		*91.0%*		*91.0%*		*91.0%*		*91.0%*		*91.0%*		*91.0%*		*91.0%*		*91.0%*		*91.0%*		*91.0%*
- Hotel & Retail				*3,257*	*10.9%*	*2,693*	*9.0%*	*2,693*	*9.0%*	*2,693*	*9.0%*	*2,693*	*9.0%*	*2,774*	*9.0%*	*2,774*	*9.0%*	*2,774*	*9.0%*	*2,857*	*9.0%*	*2,857*	*9.0%*	*2,857*	*9.0%*
Insurance & General		1.5%		33,524	1.5%	35,854	1.5%	38,050	1.5%	40,439	1.5%	42,404	1.5%	43,297	1.5%	44,219	1.5%	45,271	1.5%	46,154	1.5%	47,170	1.5%	47,639	1.5%
Incentive Mgmt Fee	of GOP	0.0%		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	0	0.0%
Replacement of FFE & HOE		4.0%		89,397	4.0%	95,610	4.0%	101,467	4.0%	107,838	4.0%	113,078	4.0%	115,459	4.0%	117,917	4.0%	120,724	4.0%	123,078	4.0%	125,787	4.0%	113,078	4.0%
Total Overhead Expenses				389,899	17.4%	415,671	17.4%	440,690	17.4%	467,897	17.4%	490,530	17.4%	500,627	17.3%	510,958	17.3%	522,797	17.3%	532,700	17.3%	544,054	17.3%	534,939	16.8%
NET OPERATING PROFIT				**554,356**	**24.8%**	**630,614**	**26.4%**	**709,658**	**28.0%**	**797,261**	**29.6%**	**882,400**	**31.2%**	**947,302**	**32.8%**	**997,061**	**33.8%**	**1,051,675**	**34.8%**	**1,103,914**	**35.9%**	**1,161,351**	**36.9%**	**1,185,468**	**37.3%**
YP in Perpetuity		25.0%																						4.0000	
PV		26.0%		0.7937		0.6299		0.4999		0.3968		0.3149		0.2499		0.1983		0.1574		0.1249		0.0992		0.0992	
				439,965		397,212		354,762		316,314		277,852		236,737		197,755		165,545		137,911		115,148		470,159	

DNA Star Vegas Resort & Club (Hotel Portion) - Going Concern Basis

NPV	US$3,109,360
MV Say	**US$3,110,000**

DNA Star Vegas Resort & Club (Retail Portion) - Going Concern Basis

Date of Valuation: 17-Mar-2025

TERM

Occupation	Buildings	Floor area IMPS 3* (sqm)	Lease Start Date	Lease duration (years)	Lease Expiry Date	Gross Rent (psm/mth)	Gross Rent per mth	Outgoings 10% per annum	Net Rent (psm/mth)	Net Rent per mth	Net Income per annum	PV	n0	YP @ 24.0% n0 years	Market Value Term	x% Term 24.0%
Vacant	Duty Free	117 sq m	-	-	-	-	-	-	-	-	-	-	-	-	-	24.00%
Occupied	A single-storey entertainment building (Star City)	920 sq m	01-Aug-22	3.0	31-Jul-25	US$23.49	US$21,607	US$2,161	US$21.14	US$19,446	US$233,357	1.00	0.37	0.32	US$74,891	24.00%
Occupied	Coffee Corner	95 sq m	01-Jul-24	1.0	30-Jun-25	US$9.40	US$893	US$89	US$8.46	US$804	US$9,643	1.00	0.29	0.25	US$2,411	24.00%
Occupied	Star Venus Hotel (Building 9)	689 sq m	01-Sep-24	0.9	31-Jul-25	US$11.06	US$7,619	US$762	US$9.95	US$6,857	US$82,286	1.00	0.37	0.32	US$26,408	24.00%
Vacant	Star Venus Hotel (Building 8)	2,803 sq m	-	-	-	-	-	-	-	-	-	-	-	-	-	24.00%
Occupied	A double-storey restaurant (Aroms Restaurant)	895 sq m	16-Mar-23	3.0	15-Mar-26		US$7,440	US$744	US$7.48	US$6,696	US$80,357	1.00	0.99	0.80	US$64,486	24.00%
Occupied	Laundry Venue (Zone A & Star Ploy)	433 sq m	15-Jul-24	1.0	30-Jun-25		US$33	US$3	US$0.07	US$29	US$354	1.00	0.29	0.25	US$88	24.00%
Vacant	Staff Canteen (Shop 1-4)	530 sq m	-	-	-	-	-	-	-	-	-	-	-	-	-	24.00%
Occupied	Pawn Shop	0 sq m	01-Jul-24	1.0	30-Jun-25		US$1,488	US$149		US$1,339	US$16,071	1.00	0.29	0.25	US$4,018	24.00%
Occupied	Viettel	0 sq m	01-Nov-22	3.0	01-Nov-25		US$330	US$33		US$297	US$3,564	1.00	0.63	0.53	US$1,875	24.00%
TOTAL		**6,482 sq m**				**US$43.95**	**US$39,410**		**US$39.55**	-	**US$425,632**				**US$174,177**	

REVERSION

Occupation	Buildings	Floor area IMPS 3* (sqm)	Lease Start Date	Lease duration (years)	Lease Expiry Date	Current Passing Rent (psm/mth)	Estimated Rental Value (psm/mth)	Monthly Rental per mth	Reversionary Income per annum	Outgoings 10%	Void 20%	Annual Net Income after void	PV	n1	YP @ 25.0% 90.35 years	Market Value Reversion	y% Term 25.00%
Vacant	Duty Free	117 sq m	-	-	-	-	US$28.21	US$3,300	US$39,600	US$3,960	US$7,920	US$27,720	1.0000	-	4.0000	US$110,880	25.00%
Occupied	A single-storey entertainment building (Star City)	920 sq m	01-Aug-22	3.0	31/Jul/25	23.5	US$19.74	US$18,164	US$217,969	US$21,797	US$43,594	US$152,578	0.9202	0.37	4.0000	US$561,622	25.00%
Occupied	Coffee Corner	95 sq m	01-Jul-24	1.0	30/Jun/25	9.4	US$29.62	US$2,813	US$33,762	US$3,376	US$6,752	US$23,633	0.9378	0.29	4.0000	US$88,655	25.00%
Occupied	Star Venus Hotel (Building 9)	689 sq m	01-Sep-24	0.9	31/Jul/25	11.1	US$9.87	US$6,800	US$81,601	US$8,160	US$16,320	US$57,121	0.9202	0.37	4.0000	US$210,254	25.00%
Vacant	Star Venus Hotel (Building 8)	2,803 sq m	-	-	-	-	US$1.41	US$3,954	US$47,443	US$4,744	US$9,489	US$33,210	1.0000	-	4.0000	US$132,841	25.00%
Occupied	A double-storey restaurant (Aroms Restaurant)	895 sq m	16-Mar-23	3.0	15/Mar/26	0.0	US$16.92	US$15,146	US$181,754	US$18,175	US$36,351	US$127,228	0.8010	0.99	4.0000	US$407,627	25.00%
Occupied	Laundry Venue (Zone A & Star Ploy)	433 sq m	15-Jul-24	1.0	30/Jun/25	0.0	US$8.46	US$3,664	US$43,966	US$4,397	US$8,793	US$30,776	0.9378	0.29	4.0000	US$115,451	25.00%
Vacant	Staff Canteen (Shop 1-4)	530 sq m	-	-	-	-	US$14.10	US$7,474	US$89,692	US$8,969	US$17,938	US$62,785	1.0000	-	4.0000	US$251,138	25.00%
Occupied	Pawn Shop		01-Jul-24	1.0	30/Jun/25	0.0	US$0.00	US$1,488	US$17,857	US$1,786	US$3,571	US$12,500	0.9378	0.29	4.0000	US$46,891	25.00%
Occupied	Viettel		01-Nov-22	3.0	01/Nov/25	0.0	US$0.00	US$330	US$3,960	US$396	US$792	US$2,772	0.8694	0.63	4.0000	US$9,639	25.00%
TOTAL		**6,482 sq m**					**US$4.79**	**US$31,078**	**US$372,932**			**US$261,052**				**US$1,934,999**	

Term / Reversion	Market Value	Cap Rate
Term	US$174,177	24.00%
Reversion	US$1,934,999	25.00%
Total	**US$2,109,176**	

MV Say: **US$2,110,000**

personal use only

DNA Star Vegas Resort & Club (Hotel Portion) - Vacant Possession Basis

Date of Valuation: 17-Mar-2025

ADR (all rooms): US$45
Operational Rooms: 383

			Growth Rates	2025		2026		2027		2028		2029		2030		2031		2032		2033		2034			
PERIOD		**Used in Cash Flow**	**Per annum**	**Year 1**		**Year 2**		**Year 3**		**Year 4**		**Year 5**		**Year 6**		**Year 7**		**Year 8**		**Year 9**		**Year 10**		**TERMINAL**	
Occupancy				35.0%		40.0%		45.0%		50.0%		55.0%		55.0%		55.0%		55.0%		55.0%		55.0%		55.0%	
Rooms				383		383		383		383		383		383		383		383		383		383		383	
Average Room Rate			2.0%	USD 45		USD 46		USD 47		USD 48		USD 49		USD 50		USD 51		USD 52		USD 53		USD 54		USD 54	
Rooms Occupied				48,928		55,918		62,908		70,089		76,887		76,887		76,887		77,098		76,887		76,887		76,887	
No. of Days				365		365		365		366		365		365		365		366		365		365		365	
Rooms Available				139,795		139,795		139,795		140,178		139,795		139,795		139,795		140,178		139,795		139,795		139,795	
REVENUES				Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %	Amount USD	Ratio %
Rooms				2,201,771	65.0%	2,566,636	65.0%	2,945,215	65.3%	3,347,055	65.4%	3,745,135	65.9%	3,820,038	65.5%	3,896,439	65.1%	3,985,256	64.7%	4,053,855	64.3%	4,134,932	63.9%	4,134,932	63.4%
Food & Beverage				677,468	20.0%	797,477	20.2%	924,076	20.5%	1,060,451	20.7%	1,198,208	21.1%	1,234,155	21.2%	1,271,179	21.2%	1,312,902	21.3%	1,348,594	21.4%	1,389,052	21.5%	1,389,052	21.3%
Other Operated Dept. (spa, telephone, laundry)			3 - 15%	508,101	15.0%	584,316	14.8%	642,748	14.2%	707,023	13.8%	742,374	13.1%	779,492	13.4%	818,467	13.7%	859,390	14.0%	902,360	14.3%	947,478	14.6%	994,852	15.3%
Other Income & Rental			1.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Revenue				**3,387,340**	**100.0%**	**3,948,429**	**100.0%**	**4,512,039**	**100.0%**	**5,114,529**	**100.0%**	**5,685,718**	**100.0%**	**5,833,685**	**100.0%**	**5,986,085**	**100.0%**	**6,157,549**	**100.0%**	**6,304,809**	**100.0%**	**6,471,462**	**100.0%**	**6,518,836**	**100.0%**
Food & Beverage (Average check)			*3.0%*	*6.2*		*6.3*		6.53		*6.7*		6.93		7.13		7.35		7.57		7.80		8.03		*8.03*	
F&B Covers	*1.5 guests / 1.5 meals*			*110,089*		*125,816*		*141,542*		*157,700*		*172,996*		*172,996*		*172,996*		*173,470*		*172,996*		*172,996*		*172,996*	
RevPAR	*5-year CAGR*	*11.21%*		*15.75*		*18.36*		*21.07*		*23.88*		*26.79*		*27.33*		*27.87*		*28.43*		*29.00*		*29.58*		*29.58*	
DEPARTMENTAL COSTS & EXPENSES		***Industry Std***																							
Rooms	*Min 15%*	*15-30%*	*1.00%*	550,443	25.0%	615,993	24.0%	677,399	23.0%	736,352	22.0%	786,478	21.0%	764,008	20.0%	779,288	20.0%	797,051	20.0%	810,771	20.0%	826,986	20.0%	826,986	20.0%
Food & Beverage	*Min 30%*	*35-50%*	*2.00%*	338,734	50.0%	382,789	48.0%	425,075	46.0%	466,599	44.0%	503,248	42.0%	493,662	40.0%	483,048	38.0%	472,645	36.0%	458,522	34.0%	444,497	32.0%	444,497	32.0%
Other Operated Dept. (spa, telephone, laundry)		*30-50%*	*1.00%*	203,240	40.0%	227,883	39.0%	244,244	38.0%	261,598	37.0%	267,255	36.0%	272,822	35.0%	278,279	34.0%	283,599	33.0%	288,755	32.0%	293,718	31.0%	308,404	31.0%
Other Income & Rental	*Min 25%*	*25-35%*	*1.00%*	0	30.0%	0	29.0%	0	28.0%	0	27.0%	0	26.0%	0	25.0%	0	25.0%	0	25.0%	0	25.0%	0	25.0%	0	25.0%
Total Costs Of Sales				**1,092,417**	**32.3%**	**1,226,665**	**31.1%**	**1,346,719**	**29.8%**	**1,464,549**	**28.6%**	**1,556,981**	**27.4%**	**1,530,492**	**26.2%**	**1,540,615**	**25.7%**	**1,553,295**	**25.2%**	**1,558,048**	**24.7%**	**1,565,201**	**24.2%**	**1,579,887**	24.2%
DEPARTMENTAL GROSS INCOME																									
Rooms				1,651,328	75.0%	1,950,644	76.0%	2,267,816	77.0%	2,610,703	78.0%	2,958,657	79.0%	3,056,031	80.0%	3,117,151	80.0%	3,188,205	80.0%	3,243,084	80.0%	3,307,946	80.0%	3,307,946	80.0%
Food & Beverage				338,734	50.0%	414,688	52.0%	499,001	54.0%	593,853	56.0%	694,961	58.0%	740,493	60.0%	788,131	62.0%	840,257	64.0%	890,072	66.0%	944,555	68.0%	944,555	68.0%
Telephone & Fax				304,861	60.0%	356,433	61.0%	398,504	62.0%	445,424	63.0%	475,119	64.0%	506,670	65.0%	540,188	66.0%	575,792	67.0%	613,605	68.0%	653,760	69.0%	686,448	69.0%
Other Income & Rental				-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Total Gross Income				**2,294,923**	**67.8%**	**2,721,764**	**68.9%**	**3,165,320**	**70.2%**	**3,649,980**	**71.4%**	**4,128,737**	**72.6%**	**4,303,193**	**73.8%**	**4,445,471**	**74.3%**	**4,604,254**	**74.8%**	**4,746,761**	**75.3%**	**4,906,261**	**75.8%**	**4,938,949**	75.8%
UNDISTRIBUTED OPERATING EXPENSES (GR)																									
Administration & General		8.0%	*0.25%*	220,177	8.0%	246,777	7.8%	270,722	7.5%	294,085	7.3%	312,714	7.0%	306,268	6.8%	299,304	6.5%	292,484	6.3%	283,716	6.0%	275,037	5.8%	277,051	5.8%
Sale and Marketing		7.0%	*0.25%*	237,114	7.0%	266,519	6.8%	293,283	6.5%	319,658	6.3%	341,143	6.0%	350,021	6.0%	359,165	6.0%	369,453	6.0%	378,289	6.0%	388,288	6.0%	391,130	6.0%
Property Operation & Maintenance		3.0%	*0.25%*	101,620	3.0%	128,324	3.3%	157,921	3.5%	191,795	3.8%	227,429	4.0%	233,347	4.0%	239,443	4.0%	246,302	4.0%	252,192	4.0%	258,858	4.0%	260,753	4.0%
Utilities		9.0%	*0.25%*	304,861	9.0%	345,488	8.8%	383,523	8.5%	421,949	8.3%	454,857	8.0%	452,111	7.8%	448,956	7.5%	446,422	7.3%	441,337	7.0%	436,824	6.8%	440,021	6.8%
Total Undistributed Operating Expenses				863,772	25.5%	987,107	25.0%	1,105,450	24.5%	1,227,487	24.0%	1,336,144	23.5%	1,341,748	23.0%	1,346,869	22.5%	1,354,661	22.0%	1,355,534	21.5%	1,359,007	21.0%	1,368,956	21.0%
HOUSE PROFIT / EBITDA				**1,431,151**	**42.3%**	**1,734,657**	**43.9%**	**2,059,871**	**45.7%**	**2,422,493**	**47.4%**	**2,792,593**	**49.1%**	**2,961,446**	**50.8%**	**3,098,601**	**51.8%**	**3,249,593**	**52.8%**	**3,391,227**	**53.8%**	**3,547,254**	**54.8%**	**3,569,993**	**54.8%**
Marketing Fee		0.0%		0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Management Fee		0.0%		0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
GROSS OPERATING PROFIT				**1,431,151**	**42.3%**	**1,734,657**	**43.9%**	**2,059,871**	**45.7%**	**2,422,493**	**47.4%**	**2,792,593**	**49.1%**	**2,961,446**	**50.8%**	**3,098,601**	**51.8%**	**3,249,593**	**52.8%**	**3,391,227**	**53.8%**	**3,547,254**	**54.8%**	**3,569,993**	**54.8%**
OVERHEAD EXPENSES																									
Rates & Taxes																									
- Value Added Tax		10.00%		338,734	10.0%	394,843	10.0%	451,204	10.0%	511,453	10.0%	568,572	10.0%	583,369	10.0%	598,609	10.0%	615,755	10.0%	630,481	10.0%	647,146	10.0%	651,884	10.0%
- Accommodation Tax		2.00%		44,035	1.3%	51,333	1.3%	58,904	1.3%	66,941	1.3%	74,903	1.3%	76,401	1.3%	77,929	1.3%	79,705	1.3%	81,077	1.3%	82,699	1.3%	82,699	1.3%
- Public Lighting Tax	*Tax on alcohol and tobacco*	5.00%		16,937	0.5%	19,937	0.5%	23,102	0.5%	26,511	0.5%	29,955	0.5%	30,854	0.5%	31,779	0.5%	32,823	0.5%	33,715	0.5%	34,726	0.5%	34,726	0.5%
Land Lease Rental																									
- Casino	*Calculated based on the income distribution between casino vs hotel.*			*320,911*	*89.1%*	*327,679*	*91.0%*	*327,679*	*91.0%*	*327,679*	*91.0%*	*327,679*	*91.0%*	*337,510*	*91.0%*	*337,510*	*91.0%*	*337,510*	*91.0%*	*347,635*	*91.0%*	*347,635*	*91.0%*	*347,635*	*91.0%*
- Hotel & Retail				*39,089*	*10.9%*	*32,321*	*9.0%*	*32,321*	*9.0%*	*32,321*	*9.0%*	*32,321*	*9.0%*	*33,290*	*9.0%*	*33,290*	*9.0%*	*33,290*	*9.0%*	*34,289*	*9.0%*	*34,289*	*9.0%*	*34,289*	*9.0%*
Insurance & General		1.5%		50,810	1.5%	59,226	1.5%	67,681	1.5%	76,718	1.5%	85,286	1.5%	87,505	1.5%	89,791	1.5%	92,363	1.5%	94,572	1.5%	97,072	1.5%	97,783	1.5%
Incentive Mgmt Fee	of GOP	5.0%		71,558	5.0%	86,733	5.0%	102,994	5.0%	121,125	5.0%	139,630	5.0%	148,072	5.0%	154,930	5.0%	162,480	5.0%	169,561	5.0%	177,363	5.0%	178,500	5.0%
Replacement of FFE & HOE		4.0%		135,494	4.0%	157,937	4.0%	180,482	4.0%	204,581	4.0%	227,429	4.0%	233,347	4.0%	239,443	4.0%	246,302	4.0%	252,192	4.0%	258,858	4.0%	227,429	4.0%
Total Overhead Expenses				1,017,567	30.0%	1,130,009	28.6%	1,244,366	27.6%	1,367,329	26.7%	1,485,774	26.1%	1,530,348	26.2%	1,563,282	26.1%	1,600,227	26.0%	1,643,523	26.1%	1,679,788	26.0%	1,654,943	25.4%
NET OPERATING PROFIT				**413,584**	**12.2%**	**604,648**	**15.3%**	**815,505**	**18.1%**	**1,055,164**	**20.6%**	**1,306,820**	**23.0%**	**1,431,098**	**24.5%**	**1,535,320**	**25.6%**	**1,649,366**	**26.8%**	**1,747,704**	**27.7%**	**1,867,466**	**28.9%**	**1,915,050**	**29.4%**
YP in Perpetuity		15.0%																						6.6666	
PV		17.0%		0.8547		0.7305		0.6244		0.5337		0.4561		0.3898		0.3332		0.2848		0.2434		0.2080		0.2080	
				353,490		441,704		509,177		563,088		596,055		557,897		511,561		469,710		425,398		388,503		2,655,978	

DNA Star Vegas Resort & Club (Hotel Portion) - Vacant Possession Basis

NPV US$7,472,562
MV Say **US$7,470,000**

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DNA Star Vegas Resort & Club (New Retail Portion) - Vacant Possession Basis

Date of Valuation: 17-Mar-2025

TERM

Occupation	Buildings	Floor area IMPS 3* (sqm)	Lease Start Date	Lease duration (years)	Lease Expiry Date	Gross Rent (psm/mth)	Gross Rent per mth	Outgoings 10% per annum	Net Rent (psm/mth)	Net Rent per mth	Net Income per annum	PV	n0	YP @ 14.0% n0 years	Market Value Term	x% Term 14.0%
Vacant	Duty Free	117 sq m	-	-	-	-	-	-	-	-	-	-	-	-	-	14.00%
Occupied	A single-storey entertainment building (Star City)	920 sq m	01-Aug-22	3.0	31-Jul-25	US$23.49	US$21,607	US$2,161	US$21	US$19,446	US$233,357	1.00	0.37	0.34	US$79,423	14.00%
Occupied	Coffee Corner	95 sq m	01-Jul-24	1.0	30-Jun-25	US$9.40	US$893	US$89	US$8	US$804	US$9,643	1.00	0.29	0.26	US$2,548	14.00%
Occupied	A double-storey restaurant (Aroms Restaurant)	895 sq m	16-Mar-23	3.0	15-Mar-26		US$7,440	US$744	US$7	US$6,696	US$80,357	1.00	0.99	0.87	US$70,127	14.00%
Occupied	Laundry Venue (Zone A & Star Ploy)	433 sq m	15-Jul-24	1.0	30-Jun-25		US$33	US$3	US$0	US$29	US$354	1.00	0.29	0.26	US$93	14.00%
Vacant	Staff Canteen (Shop 1-4)	530 sq m	-	-	-	-	-	-	-	-	-	-	-	-	-	14.00%
Occupied	Pawn Shop	0 sq m	01-Jul-24	1.0	30-Jun-25		US$1,488	US$149		US$1,339	US$16,071	1.00	0.29	0.26	US$4,246	14.00%
Occupied	Viettel	0 sq m	01-Nov-22	3.0	01-Nov-25		US$330	US$33		US$297	US$3,564	1.00	0.63	0.56	US$2,009	14.00%
Vacant	A double-storey casino (Casino 1) with basement	17,345 sq m	-	-	-	-	-	-	-	-	-	-	-	-	-	14.00%
Vacant	A double-storey casino (Casino 2)	5,198 sq m	-	-	-	-	-	-	-	-	-	-	-	-	-	14.00%
Vacant	A single-storey casino (Casino 3)	9,978 sq m	-	-	-	-	-	-	-	-	-	-	-	-	-	14.00%
TOTAL		**35,511 sq m**				**US$32.88**	**-**		**US$30**	**-**	**US$343,346**				**US$158,447**	

REVERSION

Occupation	Buildings	Floor area IMPS 3* (sqm)	Lease Start Date	Lease duration (years)	Lease Expiry Date	Current Passing Rent (psm/mth)	Estimated Rental Value (psm/mth)	Monthly Rental per mth	Reversionary Income per annum	Outgoings 10%	Void 30%	Annual Net Income after void	PV	n1	YP @ 15.0% 90.35 years	Market Value Reversion	y% Term 15.00%
Vacant	Duty Free	117 sq m	-	-	-	-	US$28.21	US$3,300	US$39,600	US$3,960	US$11,880	US$23,760	1.0000	-	6.6666	US$158,399	15.00%
Occupied	A single-storey entertainment building (Star City)	920 sq m	01-Aug-22	3.0	31/07/2025	23.5	US$19.74	US$18,164	US$217,969	US$21,797	US$65,391	US$130,782	0.9493	0.37	6.6666	US$827,633	15.00%
Occupied	Coffee Corner	95 sq m	01-Jul-24	1.0	30/06/2025	9.4	US$29.62	US$2,813	US$33,762	US$3,376	US$10,128	US$20,257	0.9606	0.29	6.6666	US$129,724	15.00%
Occupied	A double-storey restaurant (Aroms Restaurant)	895 sq m	16-Mar-23	3.0	15/03/2026	0.0	US$16.92	US$15,146	US$181,754	US$18,175	US$54,526	US$109,052	0.8702	0.99	6.6666	US$632,670	15.00%
Occupied	Laundry Venue (Zone A & Star Ploy)	433 sq m	15-Jul-24	1.0	30/06/2025	0.0	US$8.46	US$3,664	US$43,966	US$4,397	US$13,190	US$26,380	0.9606	0.29	6.6666	US$168,934	15.00%
Vacant	Staff Canteen (Shop 1-4)	530 sq m	-	-	-	-	US$14.10	US$7,474	US$89,692	US$8,969	US$26,908	US$53,815	1.0000	-	6.6666	US$358,768	15.00%
Occupied	Pawn Shop		01-Jul-24	1.0	30/06/2025	0.0		US$1,488	US$17,857	US$1,786	US$5,357	US$10,714	0.9606	0.29	6.6666	US$68,613	15.00%
Occupied	Viettel		01-Nov-22	3.0	1/11/2025	0.0		US$330	US$3,960	US$396	US$1,188	US$2,376	0.9160	0.63	6.6666	US$14,510	15.00%
Vacant	A double-storey casino (Casino 1) with basement	17,345 sq m	-	-	-	-	US$2.82	US$48,922	US$587,062	US$58,706	US$176,118	US$352,237	1.0000	-	6.6666	US$2,348,238	15.00%
Vacant	A double-storey casino (Casino 2)	5,198 sq m	-	-	-	-	US$4.23	US$21,992	US$263,898	US$26,390	US$79,170	US$158,339	1.0000	-	6.6666	US$1,055,590	15.00%
Vacant	A single-storey casino (Casino 3)	9,978 sq m	-	-	-	-	US$7.05	US$70,358	US$844,292	US$84,429	US$253,288	US$506,575	1.0000	-	6.6666	US$3,377,158	15.00%
TOTAL		**35,511 sq m**					**US$5.45**	**US$193,651**	**US$2,323,813**			**US$1,394,288**				**US$9,140,238**	

	Market Value
Existing Retail	US$2,520,000
Repurposed Area (Previously Casino)	US$6,780,000
Casino FF&E	US$140,000
MV Say:	**US$9,440,000**

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APPENDIX F: **INDEPENDENT TECHNICAL EXPERT'S REPORT** - THE LAO CAI INTERNATIONAL HOTEL REPORT

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Valuation Report.

A 2,988sqm land allotment situated on Dang Chau Street, Coc Leu Ward, Lao Cai City, Lao Cai Province, Vietnam

Prepared for BDO Corporate Finance Limited
Valuation date: 17 March 2025

Important Notice to all readers of this report

Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

Locally expert, globally connected.

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BDO Corporate Finance Limited
Level 10,
12 Creek Street
Brisbane QLD 4000
Australia

For the attention of Mark Whittaker
Email: Mark.Whittaker@bdo.com.au
Tel: +61 401 290 547

Date of issue: 04 June 2025
Our Ref: GV/CYF/JIP/RLE/28356(1)(b)

Valuation Report – A 2,988sqm land allotment situated on Dang Chau Street, Coc Leu Ward, Lao Cai City, Lao Cai Province, Vietnam

Further to your instructions, we are pleased to provide our Valuation Report in respect of the above property. If you have any queries regarding this report, please let us know as soon as possible.

Signed for and on behalf of Knight Frank Petty Limited

Cyrus Fong FRICS FHKIS RICS Registered Valuer RPS (GP)
Executive Director,
Head of Valuation & Advisory, Greater China
cyrus.fong@hk.knightfrank.com
T +852 2846 7135

Signed for and on behalf of NLP Valuation Services Company Limited

Huynh Thi Thanh Truc MOF Registered Valuer
Valuation Senior Manager
For and on behalf of NLP Valuation Services Co., Ltd

This report has been reviewed, but not undertaken,

Nguyen Thi Lan Phuong MOF Registered Valuer
Valuation Director
For and on behalf of NLP Valuation Services Co., Ltd

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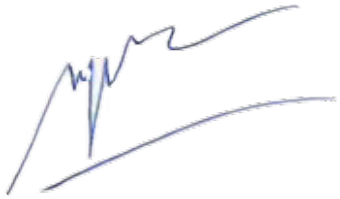
Signed for and on behalf of Knight Frank Vietnam Property Services Company Limited

This report has been reviewed, but not undertaken, by:



Tuyen Huynh MRICS
Director, Head of Valuation and Advisory
For and on behalf of Knight Frank Vietnam
tuyen.huynh@knightfrank.com
T: +84 907 997 612

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Appendix 2 CVs of the valuers
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Appendix 4 Valuation calculation

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Executive summary

This Executive summary is a brief overview of our Valuation Report and must not be relied upon in isolation. It is intended to be read in conjunction with the whole report and is subject to any assumptions, caveats and comments stated within the body of this report.



Address	Dang Chau Street, Coc Leu Ward, Lao Cai City, Lao Cai Province, Vietnam (the "Property").
Location	The Property is located at the corner of Dang Chau Street and Thuy Hoa Street, Coc Leu Ward, Lao Cai City, Lao Cai Province. It is approximately 1.4km north of the Central Business District of Lao Cai City, about 2.2km northwest of Lao Cai Railway Station and about 1km south of Lao Cai International Border Gate.

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Description	The Property is a regular-shape allotment with a total land area of 2,988 sqm. As of the inspection date, there is a five-story deteriorated hotel building erected on land. The building appeared at a poor condition and has been abandoned since 2014. For the purpose of this report, we were instructed by the Client to assess the market value of the Property based on the assumption that the improvement on land was demolished, and the land was cleared and ready for immediate occupation as of the valuation date. It is further assumed that the land is available for lease to third-party lessees, with no restrictions on use, and capable of generating rental income throughout the lease tenure.
Land Area	Approximately 2,988 sqm (according to Land Use Right Certificate No.T00118QSDD/QD-T-2003).
Tenure	According to the provided Land Use Right Certificate No. T00118QSDD/QD-T-2003 (the "Land Use Right Certificate"), the land tenure of the Property is 30-year leasehold interest until 02 November 2033. As of the valuation date, the remaining tenure of the Property is about 8.63 years.
Occupancy	The Property is vacant as at the valuation date.
Valuation Date	17 March 2025 (the "Valuation Date").
Information provided	We have reviewed the following information provided by Donaco. In our valuation, we made reference to the following information and assumed it to be materially correct in all aspects: • Legal title documents of the Property, including the Land Use Right Certificate and Land Lease Agreement No.256/HDTD (the "Land Lease Agreement"); • Investment License No.2268/GP; and • Other relevant information of the Property.
Valuation basis	We have been instructed to value the Property on vacant possession basis.
Market Value	US$0 (no commercial value) to US$128,000 (United States Dollars One Hundred Twenty Eight Thousand) on vacant possession basis, subject to the comments and assumptions stated in this report. *The exchange rate applied is VND 25,531 against US$1 published by Bloomberg as of the Valuation Date.*
MV Analysis	An overall average unit rate of approximately US$0 to US$43 per sq m on total land area of the Property.

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1. Terms of engagement

Introduction

1.1 This valuation report (the "Valuation") represents our assessment of Market Value of the Property. Set out below is the background, purpose, responsible valuers, work program, scope of work and other relevant information in relation to this Valuation.

Background

1.2 We have been instructed by BDO Corporate Finance Limited to prepare valuation reports for consideration in preparing an Independent Expert's Report (the "IER"). The IER forms part of the Scheme Booklet to be provided to the non-associated shareholders of Donaco International Limited (the "Non-Associated Shareholders'). The Scheme Booklet is to provide the Non-Associated Shareholders with the information they require to make an informed decision on a proposed transaction. This transaction is the proposed acquisition by On Nut Road Limited ('ONR') of all shares of Donaco International Limited that it does not already own by way of a scheme of arrangement (the "Proposed Transaction").

1.3 Our valuation reports are to provide our opinion on the Market Values of the following properties held by Donaco International Limited ("Donaco"): -

- The Aristo International Hotel, No.028 Yet Kieu Road, Kim Tan Ward, Lao Cai City, Lao Cai Province, Vietnam;
- A 2,988 sqm land allotment situated on Dang Chau Street, Coc Leu Ward, Lao Cai City, Lao Cai Province, Vietnam; and
- DNA Star Vegas Resort & Club, Kbal Spean 1 Village, Poipet Commune, Poipet District, Banteay Meanchey Province, Cambodia.

Engagement of Knight Frank Petty Limited

1.4 This Valuation has been prepared in accordance with our Engagement Agreement dated 9 April 2025, our General Terms of Business for Valuation Services and the General Scope of Valuation Work (together the "Agreement").

1.5 The total fee of this engagement is HK$1,000,000 (Hong Kong Dollars One Million). The fee charged is generally relevant to the scope of work, timeframe, project team and other relevant factors of the engagement and is irrelevant to the result of this Valuation. Further details have been set out in the Agreement as attached at **Appendix 1**.

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Client

1.6 We have been instructed by BDO Corporate Finance Limited (the "Client") to prepare the Valuation.

Valuation standards

1.7 This valuation has been undertaken in accordance with the current editions of "The RICS Valuation – Global Standards" (the "Red Book") issued by the Royal Institution of Chartered Surveyors ("RICS"), which incorporate the International Valuation Standards (the "IVS"). As required by the above standards, some key matters relating to this instruction are set out below.

Status and Experience of Valuer

1.8 Knight Frank is a global leading independent property advisor which provides valuation services on all property asset types, including hotels, offices, shopping malls, residential properties, warehouses, development sites and specialised properties such as casinos. Valuation services are generally provided for the purposes of secured lending, financial reporting, acquisition, disposal, expert witness and internal decision making.

Valuer and Expertise

1.9 The valuer, on behalf of Knight Frank Petty Limited, with the responsibility for this report is Cyrus Fong FHKIS FRICS MCIREA RICS Registered Valuer RPS(GP). Cyrus is a Fellow of RICS with over 15 years of experience in the real estate industry, undertaking valuation and advisory assignments for various types of properties in Hong Kong, Macau, China and Southeast Asia. Cyrus is qualified to provide a professional opinion on the Market Value of the Property.

1.10 Parts of this valuation have been undertaken by additional valuer of our sub-consultants, Knight Frank Vietnam Property Services Company Limited and NLP Valuation Services Company Limited: -

- Huynh Thi Thanh Truc MOF Registered Valuer, on behalf of Knight Frank Vietnam Property Services Company Limited and NLP Valuation Services Company Limited, has more than 10 years of experience at foreign agencies. Her track record includes delivering accurate and reliable valuations for a variety of purposes, such as mortgage, acquisition, immigration, and year-end accounting. Truc is qualified to provide a professional opinion on the Market Value of the Property.

1.11 Further qualifications and experience of the valuers of this Valuation are outlined in their curricula vitae ("CVs"), which are attached in **Appendix 2**.

1.12 We confirm that the valuer and additional valuers meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.13 We are appointed as your valuation advisers; our role is limited to providing property valuation services in accordance with the Red Book and the terms of this Agreement.

1.14 For the purposes of the Red Book / IVS, we are acting as External Valuer.

1.15 This report has been internally reviewed as part of Knight Frank Petty Limited's quality assurance procedures.

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Conflicts of Interest and Independence: Declaration and Disclosures

1.16 We, on behalf of Knight Frank Petty Limited, Knight Frank Vietnam Property Services Company Limited and NLP Valuation Services Company Limited, confirm that we do not have any material connection or involvement with the Property or a party interested in it which would give rise to a conflict of interest and are providing an objective and unbiased valuation.

Project Team

1.17 Our Valuation was prepared by Cyrus Fong FRICS FHKIS RICS Registered Valuer RPS (GP), Executive Director, Head of Valuation & Advisory, Greater China, supported by a team of consultants and sub-consultants (the "Project Team"). The Project Team has extensive experience in property valuation and advisory. Key functions of the Project Team in the preparation of this Valuation are set out as follows: -

Knight Frank Petty Limited

- **Cyrus Fong** FRICS FHKIS RICS Registered Valuer RPS (GP), Executive Director, Head of Valuation & Advisory, Greater China – acted as lead valuer of this engagement.
- **Jennifer Ip** MRICS RICS Registered Valuer, Senior Director, Valuation & Advisory – acted as one of the key project coordinators to provide support to the Project Team.
- **Rochelle Lee** MRICS, Senior Manager, Valuation & Advisory – reviewed and analysed information provided by Donaco, prepared draft calculations and valuation report.
- **Clement Tsui**, Valuer, Valuation & Advisory – conducted site inspection on 1 April 2025 and reviewed information provided by Donaco.

NLP Valuation Services Company Limited

- **Nguyen Thi Lan Phuong** MOF Registered Valuer, Valuation Director, Commercial Valuation – reviewed the valuation report.
- **Huynh Thi Thanh Truc** MOF Registered Valuer, Valuation Senior Manager, Commercial Valuation – conducted site inspection, collected the necessary information and prepared the calculations and valuation report.

Knight Frank Vietnam Property Services Company Limited

- **Tuyen Huynh** RICS Registered Valuer, Director, Head of Valuation & Advisory – reviewed the valuation report.

Use of this Valuation

Purpose of valuation

1.18 This Valuation is provided for the purpose of the Proposed Transaction (the "Purpose") only and may not be used for any other purpose without our express written consent.

Reliance

1.19 This Valuation has been prepared for the Client, Donaco and the Non-Associated Shareholders only.

1.20 No other person is entitled to rely on the Valuation for any purpose. We accept no liability to anyone for any improper or unauthorised reliance on this Valuation.

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Disclosure & Publication

1.21 The Valuation has been prepared for the Client, Donaco and the Non-Associated Shareholders and in accordance with the Agreement which governs its purpose and use. As stated in the Agreement, this Valuation is confidential and must not be disclosed to any person other than the Client, Donaco and the Non-Associated Shareholders without our express written consent. Nor may the whole nor any part of this valuation nor any reference thereto may be included in any prospectus, listing particulars, published document, circular or statement nor published in any way without our prior written approval of the form or context in which it may appear.

1.22 Knight Frank Petty Limited understand that the whole or part of this Valuation will be attached as an appendix to the IER prepared by the Client and that the IER, inclusive of this Valuation or part of this Valuation, will form part of the Scheme Booklet to be provided to the Non-Associated Shareholders.

Limitations on liability

1.23 Knight Frank Petty Limited's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank Petty Limited accepts no liability for any indirect or consequential loss or for loss of profits.

1.24 We confirm that we hold adequate and appropriate Professional Indemnity Insurance cover for this instruction.

1.25 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank Petty Limited. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank Petty Limited.

1.26 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

Work Program

1.27 Our work was commenced in March 2025 and the work program is mainly summarized as follows: -

- Requested information from the Client and Donaco and clarified uncertain areas;
- Reviewed information provided by the Client and Donaco, including land title documents, relevant licenses, tenancy schedule and Profit and Loss statements;
- Conducted site inspection on 1 April 2025;
- Conducted market research and analysis regarding the local economy, hospitality market and relevant regulations; and
- Determined reasonable assumptions and parameters in our Valuation.

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Scope of work

Scope of Work and Our Assumptions

1.28 The Agreement, which includes our General Scope of Valuation Work, set out the investigations we agreed to undertake, their limitations and any assumptions to be made as a result.

1.29 We have summarised below the key sources of information, investigations we have undertaken and any additional assumptions we have made.

Matter	Scope of Work and Assumptions
Information Provided	We have been provided with the following information by you, your advisers or other third parties and we have relied upon this information as being materially correct in all aspects: • Legal title documents of the Property, including the Land Use Right Certificate and Land Lease Agreement; • Investment License No.2268/GP; and • Other relevant information of the Property.
Inspections	We inspected the Property and any significant portion of the Property internally and externally. Our inspection of the Property was undertaken on 1 April 2025. We have assumed that there are no matters not revealed to us which would impact on our opinion of value. Whilst on-site we did not inspect any inaccessible areas. We have not investigated the site boundaries and assume there are no matters affecting value arising from this.
Measurements	We have relied upon site plan provided to us by Donaco and no further verification has been undertaken. The site area has been obtained from the Land Use Right Certificate. We have not undertaken on-site measurement and have assumed that the site plan available to us are up to date and final. In addition, we have not undertaken any condition survey of the Property. We assumed that there is no material building and/or condition defects of the Property.
Services	No tests have been undertaken on the property services and we have assumed that mains gas, water, electricity, drainage and telecommunications are all available at the Property.
Planning	Planning information has been obtained from the Urban Planning Information of Lao Cai Province.

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Matter	Scope of Work and Assumptions
Searches	We have been provided with the Land Lease Agreement and Land Use Right Certificate issued by the People's Committee of Lao Cai Province. We have assumed that the Property has good and proper title and was freely transferable in the market as at the Valuation Date and its title is being free from any material encumbrances and defects. We are not in a position to verify the title ownership or to check whether there is any title defect. We have not undertaken any company or client background search. We assumed that the registered owner is the legal and beneficial owner of the Property. The registered owner is entitled to occupy, lease, transfer and mortgage the Property without any restrictions.
Extreme Weather Events	We have not investigated the risk of extreme weather events at the Property and have assumed that the risk of damage at the Property is low. Where you have informed us otherwise, or we are aware of a risk or history of damage resulting from extreme weather events, we have stated this below and reflected the risk within our valuation.
Contamination	We have not been provided with specialist environmental reports, and we have assumed that the Property is unaffected by contamination issues.
Tenure	We have been provided with the Land Use Right Certificate and Investment License regarding the tenure of the Property. We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct. Any matters come to light must be referred to us, as they may have an important bearing upon the value reported.
ESG and Energy Performance	Our valuation does not include an assessment of sustainability and environmental matters, based on our inspection.
Capital Expenditure	No capital expenditure is considered due to vacant possession basis is applied for this valuation.
General Assumptions	We have made the following assumptions: • We are providing the open market value of the Property itself, ignoring all financing, taxation, and any other issues about the ownership of the Property; • All the land rental charges, and other taxes or charges (if any) to obtain the land use rights of the Property were fully paid by Donaco prior to the Valuation Date; • There are no environmental, drainage or other concerns about the Property. • The Property is serviceable by all utilities, including electricity, water, sewage, telephone, and broadband.

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Matter	Scope of Work and Assumptions
	• The existing improvements on the land were demolished and cleared prior to the Valuation Date. The site is currently vacant and ready for immediate development. • Donaco has the full rights of transfer, joint venture and mortgage, etc. to the Property; • The Property is free from any encumbrance, environmental contamination, or toxic material that could affect value; • No restrictions are placed on the Property that would restrict it from being sold/ leased unencumbered in the open market; • All input and value in this report is after VAT. • The valuation is based on the market evidence available in the market. Nevertheless, the actual transaction price of the Property is subject to the market condition and may deviate from the valuation. • Our valuation is prepared on the basis that the Property is available for sale/lease in the market in vacant possession and as a vacant land. • This Valuation is provided for the purpose of transaction only and may not be used for any other purpose without our express written consent

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2. The Property

2.1 The Property we have valued, including the inspection details, is as follows:

Property address	Inspected by	Inspection date
A 2,988sqm land allotment is located on Dang Chau Street, Duyen Hai Ward, Lao Cai City, Lao Cai Province, Vietnam.	• Mr Clement Tsui under the supervision of Mr. Cyrus Fong FHKIS FRICS RICS Registered Valuer • Ms Huynh Thi Thanh Truc MOF Registered Valuer	1 April 2025

2.2 Our inspection was fully completed on 1 April 2025 with the support of Donaco's Representative: Mrs. Dao Thi Le Hang - Company Secretary & Deputy Finance Controller and Mr. Criss Tan - Finance Controller.

Location

2.3 The land plot is located at the corner of Dang Chau and Thuy Hoa Streets (both about 12m in width), Coc Leu Ward, Lao Cai City, Lao Cai Province, Vietnam.

2.4 Furthermore, the site is situated on Thuy Hoa Street which runs parallel to the Hong River, that serves as the natural border between Vietnam and China. This strategic location offers the land parcel direct frontage along the Hong River and a clear view toward the border area with China.

2.5 The Property is conveniently located just a 10-minute walk from the Lao Cai International Border Gate and 5-minute drive from the Kim Thanh Border Gate. Lao Cai Railway Station is only a 5-minute drive away, ensuring easy access for travellers. Noi Bai International Airport is approximately 4.5 hours away by car, offering direct flights for both domestic and international tourists. Additionally, the hotel is about a 45-minute drive from Sapa Town, a renowned tourist destination known for its stunning landscapes and rich cultural heritage.

2.6 Notable hospitality developments within the vicinity of the Property include Muong Thanh Grand Lao Cai Hotel, Lao Cai Star Hotel, Sapaly Lao Cai Hotel, Sojo Lao Cai, and Duc Huy Grand Hotel. Additionally, Coc Leu Market and Lao Cai Tourism Market are well-known commercial and shopping hubs within Lao Cai City, attracting both locals and visitors.

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Maps

2.7 The following maps detail the location of the hotel and our understanding of its borders.



Location plan (not to scale – for identification purpose only)
Source: Google Earth Pro

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Site

Site Area

2.8 The site measures approximately 2,988 sqm (0.738 acres) as stated in the Land Use Right Certificate.

Site plan

2.9 The image below shows our understanding of the extent of the site.



Street plan (not to scale - for identification purposes only)
Source: Map data © 2025 Google

Description of the Improvement on Land

2.10 As of the inspection date, the existing improvement on land is a five-story deteriorated hotel building. The building appeared at a poor condition and has been abandoned since 2014.

2.11 For the purpose of this report, we were instructed by the Client to assess the market value of the Property based on vacant possession basis for immediate occupation as at the Valuation Date.

2.12 Photos of the Property and its surrounding areas as taken from our inspection are shown as follows.



The Property – External View



The Property– External View



The Property – Internal View



The Property– Internal View

Grounds

2.13 We have not been provided with a copy of a ground condition report for the site. We have assumed that there are no adverse ground or soil conditions and that the load bearing qualities of the site are sufficient to support the building(s) constructed thereon.

Condition

Comments

2.14 As of the time of our inspection, we noted that the Property has been abandoned since 2014 and was in a deteriorated condition.

2.15 We have not carried out any structural investigation or building survey. During our limited inspection we did not inspect any inaccessible areas.

2.16 We have not been provided with a building survey in respect of the Property.

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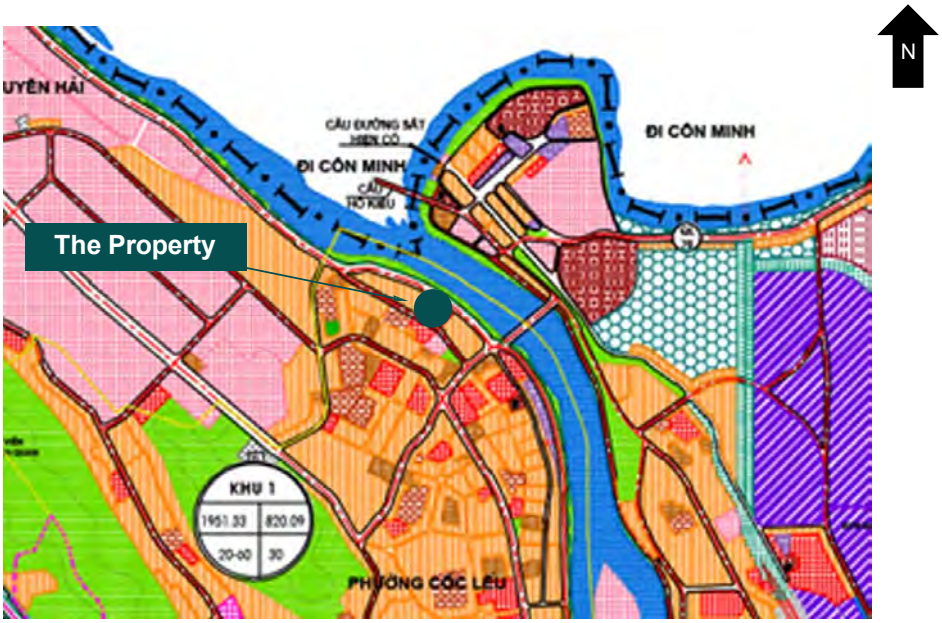
Environmental

- Flood Risk: Low
- Contamination: None noted
- Asbestos: None noted
- EPC: None provided

Planning

2.17 According to the Land Use Right Certificate and approvals over the Property provided to us by Donaco, the Property is approved for a hotel development.

2.18 According to the Urban Planning Information of Lao Cai Province – an unofficial reference, the Property is located in a designated zone for "Public and Commercial land" uses.



Urban Planning Information (not to scale - for identification purposes only)
Source: Lao Cai Province Urban Planning Information

2.19 With reference to the legal documents provided to us and the current planning as referred above, the existing uses of the Property as a "Public and Commercial land/ Hotel Development" are permitted and in line with the approved planning.

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Highways and access

Highways

2.20 We have assumed that all estate roads within the proposed scheme will be adopted and maintained at the expense of the property owners in conjunction with adjacent owners and the local authority.

Access

2.21 In reporting our opinion of value, we have assumed that there are no third-party interests between the boundary of the Property and the adopted highways and that accordingly the Property has unfettered vehicular and pedestrian access.

Services

2.22 We have assumed for the purposes of this valuation that main supplies of gas, electricity, water, drainage and telecommunications are provided to the Property.

Property Taxes

Property Taxes

2.23 Our valuation advisory has been undertaken on a tax-exclusive basis, e.g., Goods and Services Tax, Value Added Tax or Gross Business Receipts Tax where applicable.

Legal title

Sources of Information

We have been provided with a copy of the following legal documents summarised below:

2.24 Investment License No. 2268/GP was initially issued on 19 July 2002 by the Ministry of Planning and Investment. The main terms of the certificate are outlined below:

- Name of the Joint Venture Company ("JVC"): Aristo International Hotel Joint Venture Company.
- Location of the project: Dang Chau Street, Duyen Hai Ward, Lao Cai Town, Lao Cai Province.
- Land area: 2,500 sqm.
- Total registering investment capital of the project: US$ 5,000,000.
- The legal capital of the JVC: US$ 2,000,000.
- The operation period: 30-year from 19 July 2002

2.25 Land Use Right Certificate dated 17 July 2003 issued by the People's Committee of Lao Cai Province with the salient points as follows:

- Land User: Lao Cai International Hotel Joint Venture Company Limited.
- Location: Duy Hai Ward, Lao Cai City, Lao Cai Province.
- Land area: 2,988 sqm
- Land use purpose: Construction for hotel.

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- Land use terms: Until 02 November 2033.

2.26 **Land Lease Agreement** dated 20 August 2002 with the salient points as follows:

- Land Lessor Party: The Department of Land Administration.
- Land Lessee Party: Lao Cai Tourist Company.
- Area of leasing land: 2,988 sqm.
- Address: Duyen Hai Ward, Lao Cai City
- Use purpose: Construction of hotel
- Land rental: not specify in the contract
- Rights and obligations of the parties
  - The utilization of constructions on the leased land shall be consistent with the purpose stated in this Agreement.
  - During the term of the contract, the Land Lessee Party shall not transfer the leased land to any organization or individual in any form without prior approval from the authorities.
  - During the contract term, the Land Lessor Party shall ensure the Lessee's right to use the land and shall not transfer such land use rights to any organization or individual without the Lessor's prior consent.
  - In the event that the Land Lessee Party is divided, merged, or transfers its assets or this contract to another organization or individual, thereby forming a new legal entity, the new investor must carry out the necessary procedures to lease the land. The new lease term shall correspond to the remaining term of the original land lease agreement. The Land Lessee Party shall be responsible for all costs incurred in connection with the transfer of the leased land.
  - During the term of the Agreement, if the Land Lessee Party wishes to return all or part of the leased land prior to the expiration date, the Land Lessee Party must notify the the Land Lessor Party at least six (06) months in advance. The Land Lessor Party shall respond to the the Land Lessee Party within three (03) months from the date of receipt of such request.
  - The parties agree to settle all matters concerning assets associated with land use upon the termination of this agreement, in accordance with the provisions of Vietnamese law.
  - In the event that the competent authority permits a change in the purpose of use or the land lease price, the parties shall be responsible for amending the contract accordingly.
- The land lease contract shall be terminated in following cases:
  - Expiration of the land lease term.
  - The Land Lessee Party is subject to asset liquidation or bankruptcy;
  - The Land Lessee Party has its land lease decision or operating license revoked prior to the expiration date.

Comment:

- In case, Land Lessee Party is divided, merged, transformed, sells properties attached to the leasing land to other individual or organization then the new legal entity or individual, organization will enter new land leasing contract with the Government. The existing contract shall be terminated.
- Both parties have the early termination rights by 6 months' notice in advance.

- Land rental payment: The contract does not specify any land rental payment. However, Donaco has confirmed that no land rental fees are applicable for the Property until the expiration of the land tenure in 2033. The indication is thus completed on this basis.

Tenure

2.27 According to the provided Land Use Right Certificate, the land tenure of the Property is 30-year leasehold interest until 2 November 2033. As of the Valuation Date, the remaining tenure of the Property is 8.63 years.

Owner Particulars

2.28 According to the Land Use Right Certificate, the registered user of the Property is Lao Cai International Hotel Joint Venture Company Limited as at the Valuation Date.

2.29 Copy of the building ownership certificate is attached at Appendix 3.

Internal Management Agreement

2.30 As at the Valuation Date, the Property has been abandoned since 2014.

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3. Market analysis

Source of information

3.1 Our market analysis has been undertaken using market knowledge within Knight Frank Petty Limited and Knight Frank Vietnam Property Services Company Limited, enquiries of other agents, searches of property databases, as appropriate and any information provided to us.

Vietnam Economic Overview

3.2 Despite recent global macro-economic headwinds, as of Q1 2025, Vietnam's GDP grew by 6.9%, marking the highest Q1 growth over the past 5 years. In which, the industry and construction sector indicated the robust performance, accounting for 40.2% of total added value to the economy, up 7.4% year-over-year, driven by processing and manufacturing. Besides, services remained as the leading contributor with over 53.7% of total value, up 7.7% year-over-year, fuelled by the improving consumption demand during Lunar New Year holiday and increasing number of tourist arrivals.

3.3 During Q1 2025, it witnessed an upward trend in FDI attraction. Total FDI registrations in the first 3 months reached approximately US$ 11 billion, marking a 34.7% increase compared to the same period last year. Disbursed FDI reached around US$ 5 billion, up 7.2% compared to Q1 2024.

3.4 Vietnam's trade sector recorded positive results during Q1 2025. Total exports reached US$ 102.8 billion, up 10.6% year-over-year. Of which, around 88.4% of total export revenue came from manufacturing industries, equivalent to US$ 93.5 billion. Imports increased by 17% year-over-year, reaching US$ 99.7 billion. Compared to US$ 7.7 billion of Q1 2024, total trade surplus dropped by half to around US$ 3.2 billion. Regarding trading partners, US and China remained Vietnam's key export and import markets during the first quarter.

3.5 Infrastructure development remained a key national priority in 2025, with several major projects advancing significantly. Construction on the North–South Expressway (Eastern Cluster) proceeded rapidly as Vietnam works toward expanding its expressway network to 3,000 km by the end of 2025, up from about 2,021 km in operation by late 2024. New expressway segments launched during the year have improved connectivity among major economic zones. Additionally, the new Long Thanh International Airport near Ho Chi Minh City, with a planned investment of US$ 14 billion, moved closer to completion and is on schedule for an essential finish in 2025. Once operational, this airport will be the largest in Vietnam, easing the burden on Tan Son Nhat Airport and enhancing the capacity for trade and tourism.

3.6 The industrial sector experienced a strong rebound in Q1 2025. The national Index of Industrial Production (IIP) rose by 7.8% year-over-year, marking a significant improvement over the previous year (Q1 2024: up 5.9%). Manufacturing output increased as export orders recovered, and companies ramped up production to satisfy both international and domestic demand. Specifically, the manufacturing and construction sub-sector grew by approximately 9.3%, contributing around 36.3% of the economy. Key industries such as electronics, apparel, and machinery reported double-digit growth following a period of sluggish performance. This industrial upswing played a critical role in pushing

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Vietnam's GDP beyond target levels, although challenges such as rising input costs and earlier issues with power supply did persist.

3.7 In Q1 2025, over 72,900 enterprises were newly established and back to normal operation nationwide, up 18.6% compared to last year.

3.8 In Q1 2025, total retail sales and revenue from consumer services at current prices are estimated at US$ 66.91 billion, up 9.9% compared to 2024.

3.9 International visitors to Vietnam during the first 3 months of 2025 hit a new record, reaching over 6 million arrivals, increasing by 29.6% year-over-year, marking the highest ever Q1 growth, even compared to pre-pandemic period.

3.10 The average Consumer Price Index (CPI) in Q1 2025 rose by 3.2% compared to Q1 2024. Core inflation for the entire first quarter went up by 3% year-over-year.

Lao Cai Economic Overview

3.11 During Q1 2025, Lao Cai Province witnessed a positive recovery in terms of economic growth. For the first quarter of 2025, the province recorded a 5.6% growth in Gross Regional Domestic Product compared to 5% of Q1 2024, ranked 13rd in the northern midlands and mountainous region and 56 out of 63 provinces nationwide. Among the sectors, services remained the key driver of provincial economic growth, expanding by 8.7% and contributing approximately 3.7 percentage points to the GRDP growth rate. Meanwhile, the agriculture, forestry, and fishery sector, along with industry and construction, contributed around 0.5 and 1 percentage point, respectively, to the GRDP growth.

3.12 In Q1 2025, the industrial and handicraft production value of Lao Cai Province reached around US$ 376.01 million, down 3.2% compared the same period in 2024, equal to nearly 16% of the 2025 plan. The slight decrease in production capacity during the quarter came from holiday season, major maintenance requirements for machinery and equipment in some factories, and input material shortage like fertilizers, chemicals, copper, etc. In general, mining, processing and hydropower industries are the main contributors to the province's industrial production over years.

3.13 In Q1 2025, total retail sales of consumer goods and service were estimated at US$ 446.52 million, increased by 7.1% year-over-year, reaching 22.8% of 2025 target. The substantial domestic consumption demand, coupled with the influx of tourist arrivals to the province over the period, especially during Lunar New Year Holiday season has driven the vibrant trading activities across the province.

3.14 Total imports of Lao Cai Province in Q1 2025 recorded a significant increase of 57.1% year-over-year to US$ 215.5 million, hit around 9.8% of the whole year plan. However, total export turnover dropped by approximately 14% to US$ 205.1 million in the first 3 months.

3.15 During Q1 2025, Lao Cai welcomed over 3 million tourist arrivals, including 0.3 million international visitors and 2.8 million domestic travellers, marking a 50% increase compared to the same period last year. Lao Cai City and Sa Pa is considered as the favourite tourism destinations, attracting around 0.4 million and 0.5 million tourists as of Q1 2025, respectively. The surge in tourist arrivals in the first 3

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months bolstered the provincial tourism revenue to around US$ 399.51 million, equivalent to a 60% increase compared to Q1 2024. This indicated a clearer sign for the stronger rebound of the province's hospitality market. By 2025, total number of both foreign and local visitors to Lao Cai is planned to double the pre-pandemic level, reaching around 10 million arrivals.

3.16 As of Q1 2025, the province has 27 valid FDI projects with total registered capital of nearly US$ 728 million, reducing by one project compared to Q1 2024, mainly allocated in mining, manufacturing, and tourism – service sector. Despite several infrastructure upgrades, the relatively high logistics costs between Lao Cai and other developed areas like Hanoi or Hai Phong, mainly from quite long distance, have a significant impact on the FDI attraction activities across the province over years. However, the local authority has strived to improve the business environment as well as offer more favourable investment policies to attract new big investors.

3.17 The strategic location as a key gateway to China, along the Kunming – Hai Phong economic corridor is the key competitiveness advantage of Lao Cai compared to other provinces in the region. To become an emerging investment destination, the authority has made several efforts to enhance the transportation networks via a series of major infrastructure projects, such as Noi Bai – Lao Cai Highway towards Sa Pa, Lao Cai – Hanoi – Hai Phong Railway, Bat Xat (Lao Cai) – Ba Sai (China) pedestrian bridge, Lao Cai station (Vietnam) – Ha Khau Bac (China) connection, etc. In addition, the province has proposed to develop new Sa Pa Airport, following the International Civil Aviation Organisation standards, with a designed capacity serving up to 3 million passengers per annum. Once being fully completed; these projects would be key drivers for Lao Cai to become a key trade centre and tourism hub in the region in the coming years.

Lao Cai Hotel Market Overview

3.18 Owing to great natural advantages and its proximity to the Vietnam – China border, Lao Cai Province emerged as a key tourism centre in the northern region. Besides, the province benefits from being home to 25 different ethnic groups, offering a rich calendar of festivals and cultural events throughout the year that attract a growing number of tourists. The strong growth of tourism sector paves the way for the further development of hospitality market in Lao Cai Province.

3.19 Since 2023, Lao Cai hospitality market welcomed the latest 5-star hotel property coming into operation, namely Lady Hill Sapa Resort, providing 174 keys in total. Between 2024 and Q1 2025, the market recorded no new premium hotel project across the province. As of Q1 2025, the upscale hotel market in Lao Cai Province recorded a total of 13 projects, bringing total existing supply to over 2,000 rooms. Of which, 4-star hotel segment dominated the market in terms of rooms with total 9 projects, marking 52.8% of total stock. Meanwhile, due to large-scale hotel developments up to 400 rooms, 5-star hotels accounted for around 47.2% of total supply with only 4 projects.

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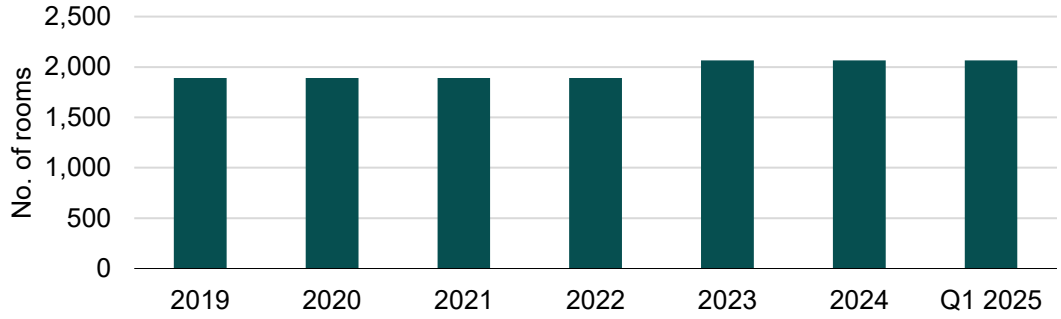
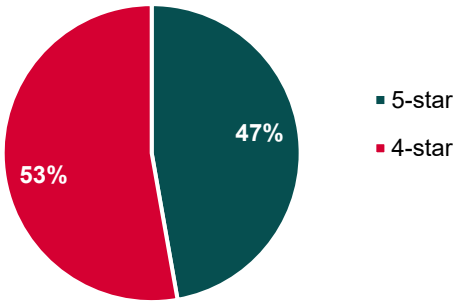
Total 4-5-star Hotel Supply, 2019 - Q1 2025



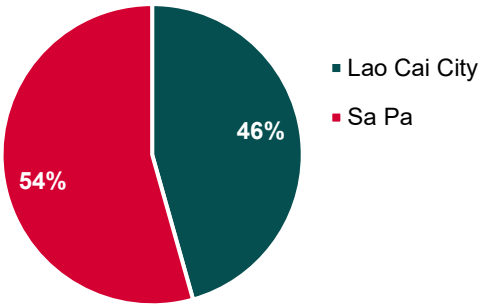
Source: Knight Frank Vietnam Research

3.20 Regarding location, as a favourite tourism destination for international tourists, Sa Pa is considered the key hub for premium hotel developments in Lao Cai, accounting for 54.4% of total rooms. Thanks to great infrastructure networks and its reputation as major socio-economic centre of the province, Lao Cai City is also a key hotel cluster in the province, contributing 45.6% to the total 4-5-star hotel supply.

Total Supply by Grade



Total Supply by Location



Source: Knight Frank Vietnam Research

3.21 The stronger rebound of international tourists, coupled with the rising demand from local visitors in recent years has driven the robust performance of Lao Cai hospitality market, especially for upscale hotel segment. As of Q1 2025, ADR of 4-5-star hotel in the province was quoted at US$ 78.2 per room per night in average. Notably, average room rate of some notable hotels in key tourism spots across Sa Pa even climbed to over US$ 100 per room per night during the peak season. Meanwhile, majority of upscale hotels in Lao Cai City ranged from US$ 60 – 85 per room per night on average at the reporting time.

3.22 The increasing demand for premium lodging services over the first 3 months boosted the average room occupancy rate to around 70% at the reporting time. In addition, due to the relatively small market size, with around 2,000 keys in total, equivalent to an average of 160 rooms per project, the 4-5-star hotel market in Lao Cai Province maintained positive occupancy over the period.

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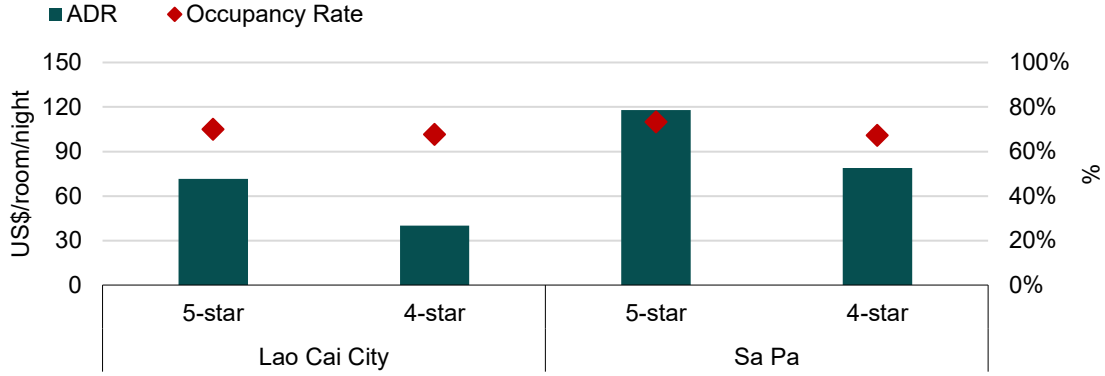
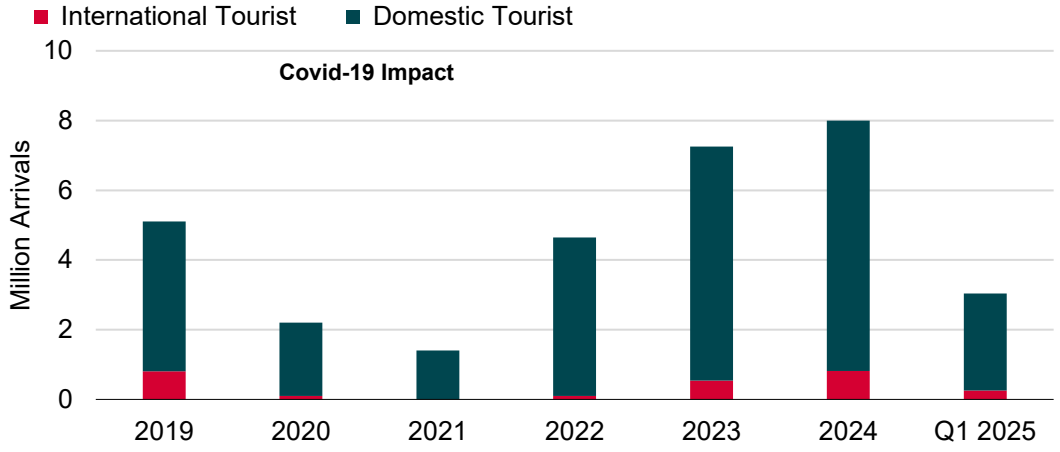
4-5-star Hotel ADR and Occupancy Rate



Source: Knight Frank Vietnam Research

3.23 Over the past 2 years, Lao Cai tourism sector has shown a positive recovery from the heavy impact of Covid-19 pandemic. Since 2023, total number of tourist arrivals to Lao Cai has reflected an upward trend, even surpassed the pre-pandemic level. In 2024, despite the Yagi Typhoon, Lao Cai tourism market hit a new record of around 8 million tourist arrivals, one of the top leading provinces among the northern midlands and mountainous region. In the same year, Sa Pa was recognized as one of top 5 trending travel destinations worldwide, according to TripAdvisor. During the peak season of Q1 2025, it continued to see the surge in terms of tourist attraction, due to a wide variety of cultural festivals taking place around the province, such as Thuong Temple festival, Long Tong festival, etc

Tourist Arrivals to Lao Cai Province, 2019 - Q1 2025



Source: Knight Frank Vietnam Research

3.24 Since 2023, a new Golden tourist route named “Two countries – Six destinations” including Kunming, Honghe Hani (China), Lao Cai, Hanoi, Hai Phong and Quang Ninh (Vietnam) has been launched, aiming to foster cross-border tourism links between Vietnam and China. It marked a key milestone for Lao Cai tourism landscape, as China is one of largest international source markets to the province over the past years.

3.25 Apart from infrastructure improvements, the local authority has prioritized to promote community-based tourism strategy via the introduction of many attractive tourism products in line with cultural identities of local ethnic minority groups, notably in Ta Phin, Lao Chai, Cat Cat (Sa Pa), Ta Chai, Na Hoi, Ban Pho, Trung Do (Bac Ha), etc. This is considered the key highlight of Lao Cai tourism to attract the increasing number of both international visitors and local travellers in recent years.

3.26 Beside traditional tourism products, MICE tourism has emerged as a new development direction for Lao Cai Province. Thanks to the infrastructure upgrades, Lao Cai is becoming an ideal destination for MICE tourists with a series of big events such as Lao Cai International Travel Mart 2025, National Youth Classical and Freestyle Wrestling Championship 2024, “Touch Sa Pa – Touch the clouds” tourism stimulus program 2024, etc. The growth of MICE tourism would be key demand driver for high-class accommodation facilities and conference services across the province in the coming period.

3.27 Looking ahead to the next 3 years, Lao Cai 4-5-star hotel market would welcome an addition of approximately 1,200 keys from 4 new branded properties. The presence of several new international hoteliers including IHG, JW Marriott, and Ascott is considered as a great signal for the robust growth of Lao Cai hospitality market in upcoming time. The increase in the total supply of branded hotel is expected to drive market-wide room rate to new heights. Regarding development site, Sa Pa and Lao Cai City remain to be key hotspots for premium lodging services, thus strengthening their position as leading tourist destinations in Vietnam.

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4. Valuation

Valuation Methodology

4.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

4.2 For the purpose of this Report and Valuation, we were specifically instructed by the Client to ascertain the Market Value of the Property on vacant possession basis disregarding the existing improvement on land. Furthermore, the nature of the Property, which is a deteriorated/ abandoned hotel building with relatively short remaining tenure (8.63 year remaining), leads to limited direct comparable evidence on the market to arrive at our opinion of value. We have thus considered following steps to estimate the opinion of value of the Property:

Step 1: to estimate the likely land lease rental by Direct Comparison Method

Step 2: to calculate the net present value of the net leasing income stream of the Property by Discount Cashflow Analysis.

4.3 We will present our analysis and considerations below:

Step 1 – Land lease rental by Direct comparison method

4.4 In this method, we analysed rentals which have recently been paid by lessees/ occupiers for similar properties in the market, as well as examined current offerings. In making comparisons, we adjusted the rentals for differences between the Property and the comparable evidence. If the comparable was superior to the Property, a downward adjustment was made to the comparable sale. If the comparable was inferior to the Property, an upward adjustment was made.

4.5 The major elements of comparison used to value the Property include the land tenure, scale, the conditions or motivations surrounding the lease, changes in market conditions since the lease, the location of the real estate, tenure, its utility, and the physical characteristics of the property.

4.6 The general descriptions of the market comparables applied are tabulated below:

Table 1: Market comparables

Property	Land area (sqm)	Rental (US$/sqm of land area/ year)	Description
The Property: Land plot is located on Dang Chau and Thuy Hoa Streets, Co Leu Ward, Lao Cai City	Approx. 2,988	-	- Via Thuy Hoa and Dang Chau which are approx. 12 wide. - River front and can borderline Vietnam - China view. - Lease term: 8.63 year - Distance to Lao Cai's CBD: about 1.4km

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Property	Land area (sqm)	Rental (US$/sqm of land area/ year)	Description
Comparable 1: Vacant land is located at lot K9, Hoa Quan Street, Dong Tuyen Ward, Lao Cai City, Lao Cai Province	Approx. 6,540	4.31 (Transacted Price)	Vacant land. - Via Hoa Quan Street which is approx. 20m wide. - River view: No. - Lease term: Long term - Distance to Lao Cai's CBD: about 4.8km
Comparable 2: Vacant land is located on T1 Street, Bac Lenh Ward, Lao Cai City, Lao Cai Province	Approx. 1,194	4.59 (Asking price)	Vacant land. - Via T1 Street which is approx. 12m wide. - River view: No. - Lease term: 5-year - Distance to Lao Cai's CBD: about 8km
Comparable 3: Vacant land is located on Bo Song Street, Pho Moi Ward, Lao Cai City, Lao Cai Province	Approx. 700	12.09 (Asking price)	Vacant land. - Via Bo Song Street which is approx. 12m wide. - River view: yes - Lease term: Long Term - Distance to Lao Cai's CBD: about 3.7km

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Location Map: (not to scale - for identification purposes only)
Source: Map data © 2025 Google

Our adjustments to the comparables are presented below:

4.7 Timing/ Transaction condition: The transacted rental of Comparable 1 is in Q2 2024. An upward adjustment is adopted for Comparable 1 when a comparison is made to reflect the market improvement for the past three quarters.

4.8 Current accessibility: Comparable 1 is accessible via Hoa Quan Street (20m width) which is superior to the Property, while Comparable 2 and 3 are similar in this regard. Therefore, a downward adjustment was applied to Comparable 1, and no adjustments were made to the others.

4.9 Number of frontages: On the normal market, the site which has two or many frontages is an advantage to other sites is one frontage because of its convenience and easy access from many different directions. As Comparable 1 has one frontage, and Comparable 2 has three frontages, an upward

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adjustment was adopted to Comparable 1, whereas a downward adjustment was adopted to Comparable 2, to arrive at the subject indication. The Property and Comparable 3 have two frontages. No adjustment was applied to Comparable 3 given their similarities.

4.10 Distance to key surroundings: All comparables are located at a far distance to the Central Business District of Lao Cai City. These comparables are considered inferior to the Property, an upward adjustment was applied to these comparables to arrive at the subject indication.

4.11 Lease term: A longer lease term tends to achieve lower land rental. We have thus considered the variance in the long-term lease of the comparables and the Property to arrive at our appropriate adjustments.

4.12 Scale: A smaller land size tends to achieve a higher land rental rate compared to that of a larger plot. Comparable 2 and 3 are smaller in scale, therefore, as a result, downward adjustments were applied. As Comparable 1 is bigger in scale, an upward adjustment was applied.

4.13 River view/ Border View: The Property has river front and borderline view which is superior to the comparables. We have thus considered the variance about this factor of the comparables and the Property to arrive at our appropriate adjustments

4.14 From the above comparables with adjustments made, the average net rent of the land is as below:

Component	Rent
Net Rental (US$ /sqm of land/year)	**7.7**

The above rates are exclusive of service charges and VAT.

4.15 We note that the estimated rent is applied for all regular lease terms that are widely acceptable on the market.

Calculation

4.16 We attach a copy of our valuation calculation in Appendix 4.

Step 2 – Net Present Value of Net Leasing Income by Discount Cashflow Analysis

Occupancy Rate Projection

4.17 Due to the nature of the Property and the market condition as of the Valuation Date, we considered a 100% occupancy of the Property.

Rent Escalation Rate

4.18 In order to forecast the rent escalation rate, we have considered the followings:

- Land lease market performance and its nature.
- The current available supply within the vicinity of the Property.
- The typical market leasing terms.
- Economic indicators of the country such as GDP, CPI, and Inflation indicators

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4.19 Our projection of the rent escalation rate is set out below:

Index	2019	2020	2021	2022	2023	2024	Average	Source
GDP growth rate	7.0%	2.9%	2.6%	8.0%	5.1%	7.1%	5.4%	*General Statistical Office*
CPI growth rate	2.8%	3.2%	1.8%	3.2%	3.3%	3.6%	3.0%	*General Statistical Office*
Growth in retail sales of goods and services	11.8%	2.6%	-3.8%	19.8%	9.6%	4.0%	7.3%	*General Statistical Office*
Long-term government bond yield	4.4%	3.3%	2.3%	3.0%	2.2%	2.5%	3.0%	*The State Treasury*
Contractual escalation rate of a typical commercial lease							3%-5%	*KF's Research Department*
Sustainable growth rates							**Adopted**	***Forecasted by NLP***
				The subject land			**3.0%**	

4.20 From all above considerations, we believe that an average escalation of 3% per year is reasonable for the Property.

Marketing and Agency fees

4.21 We have considered a rate of 3% for the marketing and agency for the Property which is at high range of the market norm to expedite the leasing.

Discount Rate

4.22 We have adopted a discount rate of 12% in our cash flow analysis of the Property, taking into consideration the current and expected market conditions, together with the location, tenure, and nature of the Property. This is considered an appropriate and reasonable rate when compared to returns available from other forms of investments. It also has a reasonable risk premium over the government's 10-year bond yields.

4.23 The cash flow forecast and DCF analysis are attached at **Appendix 4**.

DCF Analysis Conclusion

4.24 We are of the opinion that the Market Value of the Property derived by DCF analysis on vacant possession basis as at the Valuation Date was as below:

US$128,000 which was at an average unit rate of approximately US$43 per sqm of land.

Market Value Conclusion

4.25 Considering the remaining 8.6-year land tenure, potential capital expenditure for demolition and refurbishment as well as the restricted land use of the Property, we are of the opinion that no commercial value might be realized for the Property. Therefore, we conclude that the Market Value of the Property on vacant possession basis as at the Valuation Date was in the range of **US$0 to US$128,000**.

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SWOT analysis

Strengths	Weaknesses
• Adequate accessibility and visibility with direct frontages to two main commercial streets of Lao Cai City providing convenient connectivity to surrounding districts/ provinces. • Strategic location: the Property has river frontage and is situated within walking distance to famous tourism destinations of Lao Cai as well as border gates of China providing high tourism catchment and convenient connection to China. • Corner location with large frontages to commercial streets provides commercial advantages to the site.	• The relatively short remaining land tenure of approximately 8.6 years may limit the pool of potential buyers or sub-lessees, thereby affecting the property's marketability. • The existing deteriorated building will require large demolition and refurbishment expenditures to clear and prepare the land for future development.
Opportunities	**Threats**
• Lao Cai's robust economic development can lead to increase demand for commercial and hospitality sector. • Limited available land bank within the immediate areas providing a premium to the Property. • In the long term, government-led infrastructure initiatives are expected to significantly enhance connectivity to Lao Cai and support the province's overall development.	• Uncertainty in lease term renewal upon the expiry date. • Increasing operating expenses, including rent, utilities, and labor costs, may impact profitability and influence investment decisions.

Valuation Bases

Market Value

4.26 Market Value is defined within RICS Valuation - Global Standards / IVS as:

"*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*."

Market Value is also understood as the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Valuation Date

Valuation Date

4.27 The Valuation Date is 17 March 2025.

4.28 We are not aware of any factors that would materially impact our opinion of the Market Value of the Property between the Valuation Date and the date of this report.

Market Value

Assumptions

4.29 Our valuation is necessarily based on a number of assumptions which have been drawn to your attention in our Agreement, which includes the General Scope of Valuation Work, and within this report.

Market Value by Income Approach

4.30 We are of the opinion that the Market Value of the Property on vacant possession basis, as at the Valuation Date was:

US$128,000 (United States Dollars One Hundred and Twenty Eight Thousand)

4.31 This is equivalent to an overall average unit rate of approximately US$43 per sqm of land.

Market Value Conclusion

4.32 Considering the remaining 8.6-year land tenure, potential capital expenditure for demolition and reconstruction as well as the restricted land use of the Property, we are of the opinion that no commercial value might be realized for the Property. Therefore, we conclude that the Market Value of the Property on vacant possession basis as at the Valuation Date was in the range of **US$0 to US$128,000.**

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5. Property risk analysis

General comments

5.1 In this section of our report, we summarise the property related risks which we have identified as part of our valuation report and which we consider should be drawn to your attention. This summary should not be taken to be exhaustive and must be considered in conjunction with the remainder of the report. Nothing in this section should be construed as being a recommendation of taking any particular course of action.

Risks relating to the property

Legal Title

5.2 We have only reviewed the land register document but have not examined the relevant title deeds of the Property. Advice should be sought from your legal advisor if there is any issue relating to the legal title of the Property.

Economic & property market risks

Macro-economic risks

5.3 The world economy is experiencing an economic headwind initiated by the pandemic and compounded by ongoing geopolitical tensions in Europe and Asia that has led to a high inflationary environment.

5.4 As a result of increasing oil and gas prices, the on-going Russia-Ukraine war weighed down on market sentiment and pushed inflation to a decade-long high during 2022 and 2023. The global outlook remains challenging in 2025.

Investor demand

5.5 According to our market research, there is a reasonable level of demand for land leases for commercial purposes such as restaurants, cafés, showrooms, and storage or warehouse facilities, etc. However, given the nature of the Property on a vacant possession basis (a vacant land with short remaining tenure), the potential lessees/ occupiers/ investors may exercise caution in their decision-making. The substantial upfront investment required to develop the site, combined with the limited remaining operational period, may negative the return on investment.

Liquidity of the property type / Time to lease

5.6 The property has relatively short remaining land tenure which limits the pool of potential lessees/ occupiers which may affect the time period to achieve a lease. This may create a situation where a 'brown discount' is applied to the property to expedite the leasing.

Valuation risks

5.7 Knight Frank has prepared the Valuation based on the information and data available to us as at the Valuation Date. While the current market is influenced by various policies and regulations, increased

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global conflicts could add further fluctuations in the real estate market. It must be recognised that enactment of emergency measures, changes in mortgage requirements or international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the Valuation Date may affect the value of the Property.

Quality / quantity of comparables

5.8 Due to the lack of transparency and limited transactional data within the market, in certain instances, we have had to rely on asking prices and anecdotal evidence of transactions. We have assumed that all asking prices and/or sales prices provided are true and correct and are/will be of arm's length transactions between a willing buyer and willing seller, whereby both parties have/will have acted knowledgeably, prudently and without compulsion.

5.9 Key variables for adjustments include location, accessibility, frontage, size (quantum adjustment), tenure, land use, restriction, etc.

Valuation Certainty

5.10 Due to the lack of transparency with market data, there is an inherent degree of valuation uncertainty. This is further influenced by the dual-use nature of the asset (land for lease). While every effort has been made to use best available data and sound methodology, the value should be interpreted within the context of these market limitations.

Sensitivity analysis

5.11 The DCF analysis requires the input of a large amount of data, which are rarely precise, together with the making of a large number of assumptions. Small changes in any of the inputs can cumulatively lead to a large change in the property value. Some of the inputs can be assessed with reasonable objectivity, but others require a high degree of professional judgement. A common technique used to illustrate this variation is known as sensitivity analysis.

5.12 Sensitivity analysis shows the degree to which the reported value varies when the chosen inputs into the calculation change and should be used to assist in assessing potential risks associated with a valuation, particularly when the valuation inputs are uncertain for any reason.

5.13 The following sensitivity analysis relates to the Market Value figure we have reported:

Discount Rate				
11.50%	**11.75%**	**12.00%**	**12.25%**	**12.50%**
US$130,000	US$129,000	**US$128,000**	US$127,000	US$126,000

5.14 Please note that sensitivity analysis is an illustrative risk assessment tool based on the selected inputs and variations. In practice variations to the inputs adopted to assess the sensitivity of the valuation figure could exceed the figures adopted and do not therefore represent the maximum possible variation in the reported value.

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Appendix 1 Instruction documentation

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Cyrus Fong
Executive Director – Head of Valuation & Advisory, Greater China
Knight Frank Petty Limited
4/F Shui On Centre
6-8 Harbour Road, Wanchai, Hong Kong
Via email: cyrus.fong@hk.knightfrank.com

9 April 2025

Dear Cyrus,

Engagement Agreement - Valuation Report – Donaco International Limited

This letter is to confirm our instructions to you on the services we are requesting you to provide.

We have been engaged by Donaco International Limited (‘**Donaco**’ or ‘**the Company**’) to prepare an Independent Expert’s Report (‘**Our Report**’) for inclusion within a Scheme Booklet to be provided to the non-associated shareholders (‘**the Non-Associated Shareholders**’) of the Company. The Scheme Booklet is to provide the Non-Associated Shareholders with the information they require to make an informed decision on a proposed transaction. This transaction is the proposed acquisition by On Nut Road Limited (‘**ONR**’) of all Donaco shares that it does not already own by way of a scheme of arrangement (‘**the Proposed Transaction**’).

Our Report is required to provide an opinion on whether the offer associated with the Proposed Transaction is fair and reasonable to, and in the best interests of, the Non-Associated Shareholders. Given the nature of the assets of Donaco, we require a Specialist to assist us with the market valuation of some of Donaco’s key assets, to be used in our opinion (‘**Your Report**’).

We advise that we will rely on and refer to your statements and conclusions in Our Report, and we will append a copy of Your Report or a summary of Your Report to Our Report. As Our Report will be a public document, you will be required to provide your consent to the use of Your Report in the form and context in which it will be published.

We will also provide you with a draft copy of Our Report and ask that you confirm that we have accurately referred to Your Report and reflected any statements you have made.

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ENGAGEMENT SCOPE

We request that you provide us with an *independent* opinion on the market valuation of the properties and assets listed below:

- The Lao Cai International Hotel (**'the Lao Cai Hotel'**), located in Lao Cai, Vietnam of which we understand the following:
    - Address: Dang Chau Road, Duyen Hai ward, Lao Cai City, Lao Cai Province, Vietnam; and
    - The building is still standing but empty as all equipment has already been taken out and no maintenance is done on the property.
- The Aristo International Hotel (**'the Aristo'**) located in Lao Cai, Vietnam constructed by Donaco and which opened in 2014. For clarity we understand the following in relation to the Aristo:
    - Address: No. 028 Yet Kieu Road, Kim Tan ward, Lao Cai City, Lao Cai Province, Vietnam;
    - The Aristo is operated under a joint venture agreement with an entity owned by the government of Vietnam;
    - The Aristo includes a 393-room hotel, two restaurants, a tennis court, a pickleball court and other amenities;
    - The Aristo operates gambling activities under a gaming license granted by the Vietnam government which allows Donaco to operate, on the premises, a maximum of 8 gaming tables 150 slot machines and 150 video game machines; and
    - The gambling licence has a 30-year expiry date and was issued on 19 July 2002 such that the license is set to expire in 2032.
- The Star Vegas Resort & Club (**'the Star Vegas'**) located in Poipet, Cambodia. The Star Vegas was acquired by Donaco in 2015 from a group of Thai investors vendors (**'the Thai Vendors'**). For clarity, we understand the following in relation to the Star Vegas:
    - Address: Phum Kbal Spean, Sangkat Poipet O'Chrov District, Banteay Meanchey Province, Kingdom of Cambodia;
    - The Star Vegas operates on 115,098 square meters of land leased from the Thai Vendors who are also shareholders of Donaco, and the land is subject to a leasehold agreement between Donaco and the Thai Vendors;
        - The leasehold agreement on the Star Vegas was subsequently renegotiated in March of 2020 as part of a settlement agreement with the Thai Vendors to settle an on-going legal dispute; and
        - An amended perpetual lease agreement was executed under which we understand Donaco was granted security of tenure over the Star Vegas until 15 June 2115.
    - The Star Vegas includes 57,000 square meters of functional building space, featuring four hotel buildings with a total of 385 rooms (199 of which are currently in operation). Its casino operates under a license, offering 39 gaming tables and 484 electronic gaming

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machines. These machines include a mix of units owned outright by Donaco, as well as leased units subject to profit-sharing agreements; and

- The Star Vegas also includes multiple restaurants, shops, health spas, nightclubs, swimming pools and a fleet of buses and vans. Of which, the shops, swimming pool, fleet shuttle, and nightclub are operated by tenants (with the heath bar currently closed by tenant). The Star Vegas only operates the restaurants.

For avoidance of doubt, in relation to the Aristo and the Star Vegas, their individual valuations should include at least two valuation bases: an assessment of the properties' values on a going concern basis and an assessment of the valuation of the properties on a vacant possession basis.

As part of the vacant possession valuation specifically, an apportionment of the value between land and buildings is to be included in the valuation as well as an assessment of the value of any gaming machines, gaming tables, licenses and other material property, plant and equipment categories held by Donaco.

We may also ask you to assist with the assessment of the reasonableness of the assumptions for more than one scenario if it is considered appropriate. We will discuss this with you should it arise.

TERMS OF YOUR ENGAGEMENT

Your Report must be prepared in accordance with the Australian Securities & Investments Commission Regulatory Guides 111 *Content of expert reports* and, 112 *Independence of experts* (RGs 111 and 112). We have engaged you because we understand that you have the required competency to report on the assets subject of this engagement and you understand your requirements under RGs 111 and 112. Please advise us immediately if, during the engagement, you find you are unable to meet any of these requirements.

Your Report should include the following:

- A statement that demonstrates your claims against your professional competency in valuing the Donaco assets subject of this engagement including:
  - The name, address and location of each Knight Frank office responsible for each section of Your Report (as applicable);
  - Confirmation of which contributor(s) worked on each section of Your Report (as applicable); and
  - The CV of each contributor(s) who worked on Your Report, including confirmation of their relevant commercial experience and/or credentials and expertise in preparing the relevant section(s) of Your Report.
- A statement that demonstrates your independence and the independence of any other contributors to Your Report who have been engaged for their technical expertise;
- Valuations in the form of a range (RG111.78 – 79); and
- The fee for Your Report. This fee must not be reliant on the outcome of the Proposed Transaction (RG 112.45).

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In preparing Your Report you must be satisfied that there is sufficient current information available to allow an informed evaluation and we ask you to advise us immediately if you are unable to obtain that information or form an independent and thorough opinion.

As a Public Report, there is an obligation to ensure that Shareholders can rely on the information until a decision on the Proposed Transaction has been made. Your Report must include at least two valuation approaches, explain why they are appropriate, and comment on how they have been prepared. If only one approach can be used, you must explain why (RG111.64 -68). If during this period, there is a significant change in circumstances we may contact you and request that the information within Your Report be assessed to ensure the change in circumstances has not rendered any of the material information misleading. Further, as set out under RG 111.105 – 107 *Disclaimers*, you cannot limit your statutory liability for the report through disclaimers.

Independence

Your services are required to be carried out in compliance with RG 112, and as this engagement requires you to be independent of Donaco and its shareholders, ONR and their subsidiaries and associates, you must advise us immediately if, within at least the last two years you have had a professional relationship or provided services to these parties or any other interested party.

Your Report must include a statement on your independence including whether there are any:

1. Financial or other interest that could reasonably be regarded as affecting your ability to give an unbiased opinion on your services to us;
2. Fees or benefits (direct or indirect) you will receive in connection with your report, and
3. Discussions or agreements with Donaco and/or their associates on future work.

By accepting this engagement, you also agree not to take instructions from Donaco or other interested parties on your analysis or use of methodologies as this may compromise your independence and therefore the Proposed Transaction (RG 112.47).

As your engagement requires you to remain independent of Donaco, its subsidiaries and associates, it is important that you advise us immediately if within at least the last two years you have had a professional engagement with these parties or any of the other interested parties.

If at any time you believe your independence has been compromised, including when obtaining the information required to prepare Your Report, please advise us immediately. If a compromise has occurred, we will discuss this with you and we reserve the right to terminate this engagement. You also agree to indemnify BDO for any loss arising out of your loss of independence.

Required Information

As a Public Report under RG 111, Your Report must contain all the information that investors and their professional advisors would reasonably require and expect to find to make an informed decision on the subject of the report. In this regard, ASIC has publicly raised its concerns with the adequacy of disclosure by Specialists on assumptions, compliance with relevant industry codes, and the demonstration of a reasonable basis for assumptions and conclusions drawn. It is important that as a Specialist, you obtain

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sufficient information and provide a level of disclosure that supports your assumptions and conclusions, and we may ask you to provide further information on the basis of the statements.

You are to liaise with Donaco to obtain the necessary information and this engagement and all information that you receive from Donaco or us should be treated as being strictly confidential unless it is already in the public domain. We request that you ensure we are copied in on all correspondence and invited to attend all meeting and calls.

In gathering the required information, we ask that you not discuss your preliminary views, future business, or cross-selling opportunities with Donaco or other interested parties (RG 112.47). To do so may compromise your independence.

Deliverables

We require from you the following:

1. Draft report by 15 April 2025 including:
    a. Draft Report, excluding valuation conclusions for factual accuracy confirmation by Donaco;
    b. Full Draft Report for consideration by BDO;
2. Your Final signed report; and
3. Any Supplementary report required to be issued under ASIC RG 111.102-103.

Each of your draft reports is to be provided to us for review and distribution to the relevant Client parties for factual accuracy. We will provide you with any BDO or Donaco comments for your consideration and ask that you only alter Your Report if you are persuaded that there has been an error of fact (RG 112.56).

We will rely on Your Report, and any information you provide as being complete and accurate and you agree not to make any claim against us for any loss, damages, costs or expenses you may suffer or incur as a result of the information you obtained or relied upon to prepare Your Report. We will not conduct verification procedures or audit Your Report however, we will bring to your attention any information or statements that we have assessed as unreliable.

Termination

Your engagement starts on the date the below Acceptance is signed and returned to us with this engagement agreement.

Our engagement will end on the provision of all Deliverables or the day following the Second Court Hearing.

We may also terminate this engagement agreement if you breach any of the requirements within, or we form the view that you are no longer independent or competent.

If our engagement is terminated, you:

1. Agree to provide any transition assistance that may be reasonably requested;
2. Will continue to maintain your obligations of confidentiality and indemnity as set out within this engagement agreement, and

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3. Will return all information obtained from Donaco or us to the relevant party.

Fees

The total fee for completing your work will be HKD $1,000,000. We understand that an initial invoice for 50% of the fee is expected to be issued upon confirmation of engagement. A further 30% will be payable upon issuance of a complete draft report. The remaining 20% will be payable upon delivery of the final report or within two calendar months from the date of engagement, whichever is earlier.

Donaco is solely responsible for your fees and all invoices should be addressed to the Donaco CFO, Gordon Lo. All matters relating to the fees for your work are strictly between you and Donaco. You are required to contact Donaco directly to finalise all terms of your engagement, including access to the required information and, importantly, payment of invoices issued.

BDO Corporate Finance Ltd is responsible solely for selecting the Specialist and negotiating the scope of services, as outlined in this engagement letter.

BDO Corporate Finance Ltd is not responsible for payment of any invoices issued by you in relation to the above scope of work.

YOUR ACCEPTANCE

By your acceptance, you agree to indemnify us against any loss we may suffer as a result of reliance on your report or as a result of a breach of this agreement. This indemnity will not apply to any loss that results from any willful misconduct or fraudulent act or omission by us.

Please agree to the terms of our instructions by signing the below acceptance and returning a copy of this engagement agreement and acceptance to us at your earliest convenience.

Yours sincerely

BDO Corporate Finance Ltd



Mark Whittaker
Director

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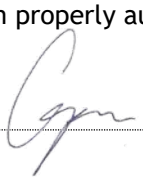
ACCEPTANCE – KNIGHT FRANK

I have read the above engagement agreement from BDO Corporate Finance Ltd and accept the scope and terms of this engagement.

I acknowledge that BDO Corporate Finance Ltd is not responsible for the invoices to be issued by Knight Frank Petty Limited ('Knight Frank') in relation to the scope of work set out in this letter. I acknowledge that all matters relating to the fees for the work performed by Knight Frank are strictly between Knight Frank and Donaco International Limited.

I warrant that I am properly authorised to sign the acknowledgment on behalf of Knight Frank.

Signed 

Full name: Cyrus Fong

Position Executive Director,
Head of Valuation & Advisory, Greater China

Dated: 10 April 2025

ACCEPTANCE – DONACO INTERNATIONAL LIMITED

I confirm that Donaco International Limited has agreed to the fee set out above.

I acknowledge that BDO Corporate Finance Ltd is not responsible for any invoices issued by Knight Frank in relation to the above scope of work.

I warrant that I am properly authorised to sign the acknowledgment on behalf of Donaco International Limited.

Signed 

Full name: Rod Sutton

Position Director

Dated:

General Terms of Business for Valuation Services

Important Notice

If you have any queries relating to this Agreement, please let us know as soon as possible and in any event before signing the Terms of Engagement Letter and/or giving us instructions to proceed.

Your instructions to proceed (howsoever received, whether orally or in writing) will constitute your offer to purchase our services on the terms of the Agreement.

Accordingly, our commencement of work pursuant to your instructions shall constitute acceptance of your offer and as such establish the contract between us on the terms of the Agreement.

These General Terms of Business for Valuation Services (the "**General Terms**"), the General Scope of Valuation Work (the "General Scope of Work") and our Terms of Engagement Letter (the "**Engagement Letter**") together form the agreement between you and us (the "**Agreement**"). References to "**you**", "**your**" etc. are to persons or entities who are our client and, without prejudice to clauses 3 and 4 below, to any persons purporting to rely on our Valuation.

Unless the context otherwise requires, all other terms and expressions used but not defined herein shall have the meaning ascribed to them in the Engagement Letter.

When used within these General Terms, the General Scope of Work and/or in the Engagement Letter, the term "**Valuation**" shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to our engagement and any other replies or information we produce in respect of any such report and/or any relevant property. Any words following the terms "**including**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

All of the terms set out in these General Terms shall survive termination of the Agreement.

In the event of any inconsistency between these General Terms, the Scope of Work and the Engagement Letter, the order of precedence should be as follows: (1) the Engagement Letter , (2) the Scope of Work and (3) these General Terms.

1. Knight Frank

1.1 Knight Frank Petty Limited ("**Knight Frank**", "**our**", "**us**", "**we**") is a company with limited liability incorporated in the Hong Kong Special Administrative Region (the "**HKSAR**").

1.2 Our registered office is at 4/F Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.

1.3 Any representative of Knight Frank described as *partner* is either a member or an employee of Knight Frank and is not a partner in a partnership. The term *partner* has been retained because it is an accepted way of referring to senior professionals. The term "**Knight Frank Person**" shall, when used herein, mean any member, employee, "partner" or consultant of Knight Frank.

1.4 The details of our professional indemnity insurance will be provided to you on request.

1.5 Knight Frank is registered for regulation in HKSAR by the Royal Institution of Chartered Surveyors ("**RICS**"). Any Valuation provided by us may be subject to monitoring under RICS Valuer Registration. In accordance with our obligations it may be necessary to disclose valuation files to the RICS. By instructing us, you give us your permission to do so. Where possible, we will give you prior notice before making any such disclosure, although, this may not always be possible. We will use reasonable endeavours to limit the scope of any such disclosure and to ensure any disclosed documents are kept confidential.

1.6 Valuations will be carried out in accordance with the relevant edition of the Hong Kong Institute of Surveyors ("HKIS") Valuation Standards, and/or the RICS valuation standards, the RICS Red Book (the "**Red Book**"), by valuers who conform to its requirements and with regard to relevant statutes or regulations.

1.7 As required by the RICS, a copy of our complaints procedure is available on request. Please contact the relevant Head of Department if you would like to make a complaint.

1.8 Knight Frank is regulated by the RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct and all other applicable mandatory professional practice requirements of the RICS, which can be found at www.rics.org. As a RICS regulated firm, we have committed to cooperating with the RICS in ensuring compliance with its standards.

2. Governing law and jurisdiction

2.1 The Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation or any Valuation shall be governed by and construed in accordance with the laws of the HKSAR.

2.2 The courts of the HKSAR shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation or any Valuation. This will apply wherever the relevant property or the client, or any relevant third party, is located or the service is provided.

3. Limitations on liability

3.1 Subject to clause 3.8, our maximum total liability in connection with or arising out of this Agreement and/or its subject matter and/or the Valuation is limited to five times our fee as set out in the Engagement Letter.

3.2 Subject to clause 3.8, we will not be liable for any loss of profits, loss of data, loss of chance, loss of goodwill, or any indirect or consequential loss of any kind.

3.3 Our liability to you shall be reduced to the extent that we prove that we would have been able to claim a contribution pursuant to the Civil Liability (Contribution) Ordinance Cap 377 of the laws of the HKSAR from one or more of the other professionals instructed by you in relation to any relevant property and/or the Purpose (and in each case if, as a result of an exclusion or limitation of liability in your agreement with such professional, the amount of such contribution would be reduced, our liability to you shall be further reduced by the amount by which the contribution we would be entitled to claim from such professional is reduced).

3.4 Subject to clause 3.8, any limitation on our liability will apply however such liability is or would otherwise have been incurred, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise.

3.5 Except as set out in clauses 3.6 and 4.7 and 4.8 below, no third party shall have any right to enforce any of the terms of this Agreement,

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whether under the Contracts (Rights of Third Parties) Ordinance (Cap 623) or otherwise.

3.6 No claim arising out of or in connection with this Agreement may be brought against any Knight Frank Person. Those individuals will not have a personal duty of care to you or any other person and any such claim for losses must be brought against Knight Frank. Any Knight Frank Person may enforce this clause under the Contracts (Rights of Third Parties) Ordinance (Cap 623) but the terms of this Agreement may be varied by agreement between the client and Knight Frank at any time without the need for any Knight Frank Person to consent.

3.7 No claim, action or proceedings arising out of or in connection with the Agreement and/or any Valuation shall be commenced against us after the expiry of the earlier of (a) six years from the Valuation Date (as set-out in the relevant Valuation) or (b) any limitation period prescribed by law.

3.8 Whether or not specifically qualified by reference to this clause, nothing in the Agreement shall exclude or limit our liability in respect of fraud, or for death or personal injury caused by our negligence or negligence of those for whom we are responsible, or for any other liability to the extent that such liability may not be so excluded or limited as a matter of applicable law.

4. Purpose, reliance and disclosure

4.1 The Valuation is prepared and provided solely for the stated purpose. Unless expressly agreed by us in writing, it cannot be relied upon, and must not be used, for any other purpose and, subject to clause 3.8, we will not be liable for any such use.

4.2 Without prejudice to clause 4.1 above, the Valuation may only be relied on by our Client. Unless expressly agreed by us in writing the Valuation may not be relied on by any third party and we will not be liable for any such purported reliance.

4.3 Subject to clause 4.4 below, the Valuation is confidential to our Client and must not be disclosed, in whole or in part, to any third party without our express written consent (to be granted or withheld in our absolute discretion). Subject to clause 3.8, no liability is accepted to any third party for the whole or any part of any Valuation disclosed in breach of this clause.

4.4 Notwithstanding any statement to the contrary in the Agreement, you may disclose documents to the minimum extent required by any court of competent jurisdiction or any other competent judicial or governmental body or the laws of the HKSAR.

4.5 Neither the whole nor any part of the Valuation and/or any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any website) without our prior written consent and approval of the form and context in which it may appear.

4.6 Where permission is given for the publication of a Valuation neither the whole nor any part thereof, nor any reference thereto, may be used in any publication or transaction that may have the effect of exposing us to liability for actual or alleged violations of the Securities Act 1933 as amended, the Securities Exchange Act of 1934 as amended, any state Blue Sky or securities law or similar federal, state provincial, municipal or local law, regulation or order in either the United States of America or Canada or any of their respective territories or protectorates (the "**Relevant Securities Laws**"), unless in each case we give specific written consent, expressly referring to the Relevant Securities Laws.

4.7 You agree that we, and/or any Knight Frank Person, may be irreparably harmed by any breach of the terms of this clause 4 and that damages may not be an adequate remedy. Accordingly, you agree that we and/or any Knight Frank Person may be entitled to the remedies of injunction or specific performance, or any other equitable relief, for any anticipated or actual breach of this clause.

4.8 You agree to indemnify and keep fully indemnified us, and each relevant Knight Frank Person, from and against all liabilities, claims, costs (including legal and professional costs), expenses, damages and losses arising from or in connection with any breach of this clause 4 and/or from the actions or omissions of any person to whom you have disclosed (or otherwise caused to be made available) our Valuation otherwise than in accordance with this clause 4.

4.9 You warrant and represent that all information provided to us shall be accurate, complete and up-to-date and can be relied upon by us for the purposes of the Agreement and you shall be liable to us or any other third party for any such information provided by you that is not accurate, complete or up-to-date.

5. Knight Frank network

5.1 Knight Frank Petty Limited / Knight Frank Asset Appraisal Limited is a member of an international network of independent firms which may use the "Knight Frank" name and/or logos as part of their business name and operate in jurisdictions outside the HKSAR (each such firm, an "**Associated Knight Frank Entity**").

5.2 Unless specifically agreed otherwise, in writing, between you and us: (i) no Associated Knight Frank Entity is our agent or has authority to enter into any legal relations and/or binding contracts on our behalf; and (ii) we will not supervise, monitor or be liable for any Associated Knight Frank Entity or for the work or actions or omissions of any Associated Knight Frank Entity, irrespective of whether we introduced the Associated Knight Frank Entity to you.

5.3 You are responsible for entering into your own agreement with any relevant Associated Knight Frank Entity.

5.4 This document has been originally prepared in the English language. If this document has been translated and to the extent there is any ambiguity between the English language version of this document and any translation thereof, the English language version as prepared by us shall take precedence.

6. Severance

If any provision of the Agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable and, to the greatest extent possible, achieves the intended commercial result of the original provision. If express agreement regarding the modification or meaning or any provision affected by this clause is not reached, the provision shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision shall be deemed deleted. Any modification to or deletion of a provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

7. Entire agreement

7.1 The Agreement, together with any Valuation produced pursuant to it (the Agreement and such documents together, the "**Contractual Documents**") constitute the entire agreement between you and us and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between you and us, whether written or oral, relating to its subject matter.

7.2 Subject to clause 3.8 above, you agree that in entering into the Agreement you do not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not expressly set out in the Contractual Documents. You further agree that you shall have no claim for innocent or negligent misrepresentation based on any statement set out in the Contractual Documents.

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7.3 The Engagement Letter, the Scope of Work and these General Terms shall apply to and be incorporated in the contract between us and will prevail over any inconsistent terms or conditions contained or referred to in your communications or publications or which would otherwise be implied. Your standard terms and conditions (if any) shall not govern or be incorporated into the contract between us.

7.4 Subject to clause 3.8 and clause 6, no addition to, variation of, exclusion or attempted exclusion of any of the terms of the Contractual Documents will be valid or binding unless recorded in writing and signed by duly authorised representatives on behalf of the parties.

8. Assignment

You shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of the rights and obligations under the Agreement without our prior written consent (such consent to be granted or withheld in our absolute discretion).

9. Force majeure

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from events, circumstances or causes beyond its reasonable control.

10. Our fees

10.1 Without prejudice to clause 10.3 below, you become liable to pay our fees upon issuance of the Valuation. For the avoidance of doubt, unless expressly agreed otherwise in writing, the payment of our fees is not conditional on any other events or conditions precedent.

10.2 If any invoice remains unpaid after 30 days of the date on which it is presented, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made, at 2% per month.

10.3 If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

10.4 If before the Valuation is concluded you end this instruction, we will charge abortive fees (calculated on the basis of a proportion of the total fee by reference to reasonable time and expenses incurred), with a minimum charge of 50% of the full fee if we have already inspected the property (or any property, if the instruction relates to more than one), or with a minimum charge of 80% of the full fee if we have already submitted draft report.

10.5 If you delay the instruction by more than 30 days or materially alter the instruction so that additional work is required at any stage or if we are instructed to carry out additional work that we consider (in our reasonable opinion) to be either beyond the scope of providing the Valuation or to have been requested after we have finalised our Valuation (including, but not limited to, changing the Valuation Date, or issuing additional reports addressed to third parties, etc.), we will charge additional fees for this work. We will endeavour to agree any additional fees with you prior to commencing the work, however, where this is not possible our hourly rates will apply. Such additional fees will be calculated on the basis of a proportion of the total fee by reference to reasonable time and expenses incurred.

10.6 Where we agree to accept payment of our fees from a third party, such fees remain due from you until payment is received by us.

10.7 Any fee paid in advance for our services will not be held by us as client's money pending the completion of our service to you and it will not be subject to the RICS Clients' Money Protection Scheme.

11. Anti-bribery, corruption & Modern Slavery

11.1 We agree that throughout the term of our appointment we shall:

(a) Comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Prevention of Bribery Ordinance (Cap 201), (the "Relevant Requirements");

(b) not engage in any activity, practice or conduct which would constitute an offence under sections 1,2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;

(c) maintain anti-bribery and anti-corruption policies to comply with the Relevant Requirements and any best practice relating thereto; and

(d) promptly report to you any request or demand for any undue financial or other advantage of any kind in connection with the performance of our services to you.

11.2 We take all reasonable steps to ensure that we conduct our business in a manner that is consistent with our Human Rights Policy and comply with applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including the Modern Slavery Act 2015 of the UK.

12. Data Protection

12.1 For the purposes of this clause "Data Protection Legislation" means the Personal Data (Privacy) Ordinance (Cap 486) The terms "Personal Data", "Data Processor" and "Data Subject" shall have the meanings ascribed to them in the Data Protection Legislation.

12.2 You and we shall comply with applicable requirements of the Data Protection Legislation.

12.3 Without prejudice to the generality of the foregoing, you will not provide us with Personal Data unless the Agreement requires the use of it, and/or we specifically request it from you. By transferring any Personal Data to us you warrant and represent that you have the necessary authority to share it with us and that the relevant Data Subjects have been given the necessary information regarding its sharing and use.

12.4 We may transfer Personal Data you share with us to other Associated Knight Frank Entities and/or group undertakings. Some of these recipients may be located outside of the HKSAR. We will only transfer such Personal Data where we have a lawful basis for doing so and have complied with the specific requirements of the Data Protection Legislation.

12.5 Full details of how we use Personal Data can be found in our Privacy Statement at http://www.knightfrank.com/legals/privacy-statement.

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General Scope of Valuation Work

As required by the RICS Valuation – Global Standards (the "Red Book") / International Valuation Standards, this General Scope of Valuation Work describes information we will rely on, the investigations that we will undertake, the limits that will apply to those investigations and the assumptions we will make, unless we are provided with or find information to the contrary.

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Definitions

"**Assumption**" is something which it is agreed the valuer can reasonably accept as being true without specific investigation or verification.

"**Property**" is the interest which we are instructed to value in land including any buildings or other improvements constructed upon it.

"**Valuation**" shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to this engagement and any other replies or information we produce in respect of any such report and/or any relevant property.

1. Property to be valued

1.1 We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the address provided in your instructions, is the Property inspected by us and included within our Valuation. If there is ambiguity as to the Property address, or the extent of the Property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our Valuation.

1.2 We will rely upon information provided by you, your representative(s) or your legal advisers relating to the Property to be valued, including any tenancies, sub-tenancies or other third-party interests. Any information on title and tenure we are provided with by a third party during the course of our investigations will be summarised in our Valuation but will be subject to verification by your legal advisers. We will not search the original documents to verify ownership or to verify any lease amendments that may not appear on the copies handed to us. We will not make or commission any investigations to verify any of this information. In particular, we will not investigate or verify that :

(a) all title information relied upon and referred to in our Valuation is complete and correct,

(b) all documentation is satisfactorily drawn,

(c) there are no undisclosed onerous conditions or restrictions that could impact on the marketability of the Property valued, and

(d) there is no material litigation pending, relating to the Property valued.

For Hong Kong Properties

Prior to preparing our report, unless you or your representative(s) provide land search information to us, a search will normally be made in the Land Registry to retrieve details of the Government Lease and any encumbrances registered against it. Information so obtained will be interpreted and analysed with as much care as possible, but you should always arrange for your own legal advisers to check this information prior to entering into any commitment as a result of our report.

For Macau Properties

Whilst we may cause search in the Conservatória do Registo Predial (the Property Registry of Macau) to retrieve relevant information / encumbrances in Chinese registered against the Property, we largely rely on the copies provided by you or your representative(s), in English or Chinese. We do not undertake to require sight of the original documents etc nor to verify the correctness of any information supplied to us, including their translations.

For PRC or Overseas Properties

We normally base our work on information supplied to us only, accept such information at its face value, and do not undertake to require sight of the original documents etc. Nor do we verify the correctness of any information supplied to us, whether in writing or verbally, by you or by your representative(s) or by any (or any apparent) occupier of the property or contained in the copy of the documents.

1.3 Where we provide a plan of the Property in our Valuation, this is for identification only. While the plan reflects our understanding based on the information provided to us, it must not be relied upon to define boundaries, title or easements.

1.4 Our Valuation will include those items of plant and machinery normally considered to be part of the service installations to a building and which would normally pass with the Property on a sale or letting. We will exclude all other items of process plant, machinery, trade fixtures and equipment, chattels, vehicles, stock and loose tools, and any tenant's fixtures and fittings.

1.5 Unless agreed otherwise in writing, we will neither investigate nor include in our Valuation any unproven or unquantified mineral deposits, felled timber, airspace or any other matter which may or may not be found to be part of the Property but which would not be known to a buyer or seller on the valuation date.

1.6 Unless agreed otherwise, our Valuation will make the Assumption that all parts of the Property occupied by the current owner on the valuation date would be transferred with vacant possession and any tenancies, sub-tenancies or other third party interests existing on the valuation date will continue.

1.7 Where requested legal title and tenancy information is not provided in full, in the absence of any information provided to the contrary, our Valuation will make the Assumption that the subject Property has good title and is free from any onerous restrictions and/or encumbrances or any such matter which would diminish its value.

2. Portfolios

2.1 Where instructed to value a portfolio of properties, unless specifically agreed with you otherwise, we will value each Property separately on the basis that it is offered individually to the market.

3. Building specification and condition

3.1 We will note the general condition of any building and any building defect brought to our attention and reflect this in our Valuation. We will not undertake a detailed investigation of the materials or methods of construction or of the condition of any specific building element. We will not test or commission a test of service installations. Unless we become aware during our normal investigations of anything to the contrary and mention this in our Valuation, our Valuation will , make the Assumption that:

(a) any building is in a condition commensurate with its age, use and design and is free from significant defect,

(b) no construction materials have been used that are deleterious, or likely to give rise to structural defects,

(c) no potentially hazardous or harmful materials are present, including asbestos,

(d) all relevant statutory requirements relating to use, construction and fire safety have been complied with,

(e) any building services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction, and

(f) the supply to the building of electricity, data cable network and water, are sufficient for the stated use and occupancy.

3.2 If you require information on the structure or condition of any building, our specialist building surveyors can provide a suitable report as a separate service.

4. Environment and sustainability

4.1 Our Valuation will reflect the market's perception of the environmental performance of the Property and any identified environmental risks as at the valuation date. This may include reflecting information you provide to us that has been prepared by suitably qualified consultants on compliance of existing or proposed buildings with recognised sustainability metrics. Where appropriate, we will research any freely available information issued by public bodies on the sustainability metrics of existing buildings.

4.2 As part of our valuation service, we will not advise on the extent to which the Property complies with any other Environmental, Social or Governance (ESG) metrics or to what extent the building, structure, technical services, ground conditions, will be impacted by future climate change events, such as extreme weather, or legislation aimed at mitigating the impact of such events. If required, KF may be able to advise on ESG considerations and their long-term impact on a Property as a separate service.

5. Ground conditions and contamination

5.1 We may rely on any information you provide to us about the findings and conclusions of any specialist investigations into ground conditions or any contamination that may affect the Property. Otherwise our investigations will be limited to research of freely available information issued by Government Agencies and other public bodies for flood risk, recorded mining activity and radon. We will also record any common sources or indicators of potential contamination observed during our inspection.

5.2 Unless specifically instructed by you to do so, we will not commission specialist investigations into past or present uses either of the Property or any neighbouring property to establish whether there is contamination or potential for contamination, or any other potential environmental risk. Neither will we be able to advise on any remedial or preventive measures.

5.3 We will comment on our findings and any other information in our possession or discovered during our investigations in our Valuation.

5.4 Unless we become aware of anything to the contrary and mention this in our Valuation, for each Property valued our Valuation will make the Assumption that:

(a) the site is physically capable of development or redevelopment, when appropriate, and that no extraordinary costs will be incurred in providing foundations and infrastructure,

(b) there are no archaeological remains on or under the land which could adversely impact on value,

(c) the Property is not adversely affected by any form of pollution or contamination,

(d) there is no abnormal risk of flooding,

(e) there are no high voltage overhead cables or large electrical supply equipment affecting the Property,

(f) the Property does not have levels of radon gas that will require mitigation work,

(g) there are no invasive species present at the Property or within close proximity to the Property, and

(h) there are no protected species which could adversely affect the use of the Property.

6. Planning and highway enquiries

6.1 We may research freely available information on planning history and relevant current policies or proposals relating to any Property being valued using the appropriate local authority website. We will not commission a formal local search. Our Valuation will make the Assumption that any information obtained will be correct, but our findings should not be relied on for any contractual purpose.

6.2 Unless we obtain information to the contrary, Our Valuation will make the Assumption that:

(a) the use to which the Property is put is lawful and that there is no pending enforcement action, and

(b) there are no local authority proposals that might involve the use of compulsory purchase powers or otherwise directly affect the Property.

6.3 We do not undertake searches to establish whether any road or pathways providing access to the Property are publicly adopted. Unless we receive information to the contrary or have other reason to suspect an adjoining road or other access route is not adopted, our Valuation will make the Assumption that all such routes are publicly adopted.

7. Other statutory and regulatory requirements

7.1 A property owner or occupier may be subject to statutory regulations depending on their use. Depending on how a particular owner or occupier uses a building, the applicable regulations may require alterations to be made to buildings. Our valuation service does not include identifying or otherwise advising on works that may be required by a specific user in order to comply with any regulations applicable to the current or a proposed use of the Property. Unless it is clear that similar alterations would be required by most prospective buyers in the market for a property, our Valuation will make the Assumption that no work would be required by a prospective owner or occupier to comply with regulatory requirements relating to their intended use.

7.2 We will not investigate or comment on licences or permits that may be required by the current or any potential users of the Property relating to their use or occupation.

8. Measurements

8.1 Where building floor areas are required for our Valuation, unless we have agreed to rely on floor areas provided by you or a third party, we will take measurements and calculate the appropriate floor areas for buildings in accordance with the current Hong Kong Institute of Surveyors ("HKIS") Code of Measuring Practice or Royal Institution of Chartered Surveyors ("RICS") Property Measurement Professional Standard. These measurements will be quoted to a reasonable approximation, with reference to their source or taken by us from scaled drawings provided to us. The floor areas will be within a tolerance that is appropriate having regard to the circumstances and purpose of the valuation instruction.

8.2 Where required, any site areas will be quoted from plans or other sources available to us.

9. Investment properties

9.1 Where the Property valued is subject to a tenancy or tenancies, we will have regard to the market's likely perception of the financial status and reliability of tenants in arriving at our valuation. We will not undertake detailed investigations into the financial standing of any tenant. Unless advised by you to the contrary, our Valuation will be based on the Assumption that there are no material rent arrears or breaches of other lease obligations. We will further assume that the tenants will continue to occupy the premises and comply with the

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conditions of the tenancies until the expiry of the existing tenancy terms.

10. Development properties

10.1 If we are instructed to value Property for which development, redevelopment or substantial refurbishment is proposed or in progress, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We shall be entitled to rely on such information in preparing our valuation. If a professional estimate of build costs is not made available, we will rely on published build cost data but this must be recognised as being less reliable as it cannot account for variations in site conditions and design. This is particularly true for refurbishment work or energy efficiency and environmental upgrades. In the absence of a professionally produced cost estimate for the specific project, we may need to qualify our report and the reliance that can be placed on our valuation.

10.2 For Property in the course of development, we will reflect the stage reached in construction and the costs remaining to be spent at the date of valuation. We will have regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project. For recently completed developments we will take no account of any retentions, nor will we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

10.3 We will assume that the property valued will be constructed, occupied and used in full compliance with, and without contravention of any Ordinances, statutory requirements and notices, except only where otherwise stated. We will further assume that, for any use of the property upon which the report is based, any and all required licences, permits, certificates, consents, approvals and authorisations have been or will be obtained, except only where stated otherwise.

11. VAT, taxation and costs

11.1 The reported valuation will be our estimate of the price that would be agreed with no adjustment made for costs that would be incurred by the parties in any transaction, including any liability for VAT, stamp duty or other taxes. It is also gross of any mortgage or similar financial encumbrance.

12. Property insurance

12.1 Except to the limited extent provided in clause 3 and clause 4 above, we do not investigate or comment on how potential risks would be viewed by the insurance market. Our Valuation will be on the Assumption that each Property would, in all respects, be insurable against all usual risks including fire, terrorism, ground instability, extreme weather events, flooding and rising water table at normal, commercially acceptable premiums.

13. Reinstatement cost estimates

13.1 We can only accept a request to provide a building reinstatement cost estimate for insurance purposes alongside our Valuation of the Property interest on the following conditions:

(a) the assessment provided is indicative, without liability and only for comparison with the current sum insured, and

(b) the building is not specialised or listed as being of architectural or historic importance.

13.2 Otherwise we can provide an assessment of the rebuilding cost by our specialist building surveyors as a separate service.

14. Legal advice

14.1 We are appointed to provide valuation opinion(s) in accordance with our professional duties as valuation surveyors. The scope of our service is limited accordingly. We are not qualified legal practitioners and we do not provide legal advice. Unless instructed to the contrary, we will not read title or lease documentation and will make the Assumption that summary tenure and tenancy information provided is accurate and includes all material factors that could impact value. If we indicate what we consider the effect of any provision in the Property's title documents, leases or other legal requirements may have on value, we strongly recommend that this be reviewed by a qualified lawyer before you take any action relying on our valuation.

15. Loan security

15.1 If we are requested to comment on the suitability of the Property as a loan security, we are only able to comment on any risk to the reported value that is inherent in either its physical attributes or the interest valued. We will not comment on the degree and adequacy of capital and income cover for an existing or proposed loan or on the borrower's ability to service payments.

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Appendix 2 CVs of the valuers

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Cyrus Fong.



Executive Director, Head of Valuation & Advisory, Greater China
T: +852 2846 7135
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QUALIFICATIONS

Fellow of the Royal Institution of Chartered Surveyors (2021)
Fellow of the Hong Kong Institute of Surveyors (2021)
Licensed Salesperson, Hong Kong (2012) S-368139
Registered Valuer of the Royal Institution of Chartered Surveyors (2016)
Registered Professional Surveyor (General Practice) (2016)
Member of China Institute of Real Estate Appraisers and Agents (2018)
BSc (Hons) in Surveying (2006)

Cyrus is a Chartered Surveyor with a wealth of experience in valuation and advisory services in Hong Kong, Macau and Chinese mainland.

Cyrus joined Knight Frank in 2016 as an Associate Director in our General Valuation department providing property valuation and consultancy services to clients.

In addition to valuation services, Cyrus also advises clients on land and planning matters, retail consultancy, market research and feasibility studies, and development consultancy. He has conducted numerous assignments for different types of properties including development sites, luxury residential, commercial, industrial properties in Hong Kong, Macau, Chinese mainland, Asia Pacific, and the UK for corporate and private clients.

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QUALIFICATIONS

MOF Valuer
Ceritificate of VN Real Esate Managment
Bachelor of Valuation
Valuation Senior Manger,Commerial Valuation
Knight Frank Vietnam

Truc has a highly accomplished real estate professional. She brings over a decade of expertise in property valuation and advisory services. Joining Knight Frank Vietnam in 2023, she currently serves as Senior Manager in the Consultant Department, where she leverages her extensive knowledge of the local real estate market to provide strategic insights for commercial projects.

With more than 10 years of experience at foreign agencies, Truc has established herself as a trusted advisor, particularly in valuing commercial and industrial properties. Her track record includes delivering accurate and reliable valuations for a variety of purposes, such as mortgage, acquisition, immigration, and year-end accounting.

Truc oversees a team of dedicated professionals. ensuring the highest standards of service delivery. Known for her excellent communication skills and collaborative approach, she excels in building lasting relationships with clients and colleagues. Her commitment to professionalism and

Major Clients

BWID

BWID is a leading for-rent logistics and industrial property developer in Vietnam

Aeon Mall

Aeon Mall is a specialist shopping mall developer

Citigroup

CitiGroup is one the main main bank of choice for top-tier local corporates, financial institutions as well as largest multinational companies in Vietnam.

OTHER MAJOR CLIENTS

BWID, Richland Residence, Central Retail, SCID, Novaland, Pomina, Gamuda, VSIP, Viet Y Steel, Heineken Vietnam, Son Tien, Hoiana, Loc Troi Group Novaland, Bong Sen, D Liberty

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Appendix 3 Title documents

Business Registration Certificate No. 5300208103

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SỞ KẾ HOẠCH VÀ ĐẦU TƯ
TỈNH LÀO CAI
PHÒNG ĐĂNG KÝ KINH DOANH

CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập – Tự do – Hạnh phúc

GIẤY CHỨNG NHẬN ĐĂNG KÝ DOANH NGHIỆP
CÔNG TY TRÁCH NHIỆM HỮU HẠN HAI THÀNH VIÊN TRỞ LÊN

Mã số doanh nghiệp: 5300208103

Đăng ký lần đầu: ngày 27 tháng 02 năm 2009

Đăng ký thay đổi lần thứ: 6, ngày 12 tháng 08 năm 2024

1. Tên công ty

Tên công ty viết bằng tiếng Việt: CÔNG TY TNHH LIÊN DOANH KHÁCH SẠN QUỐC TẾ LÀO CAI

Tên công ty viết bằng tiếng nước ngoài: LAOCAI INTERNATIONAL HOTEL JOINT VENTURE COMPANY LIMITED

Tên công ty viết tắt: LAOCAI INTERNATIONAL HOTEL

2. Địa chỉ trụ sở chính

Số nhà 028 đường Yết Kiêu, Phường Kim Tân, Thành phố Lào Cai, Tỉnh Lào Cai, Việt Nam

Điện thoại: *0214 3826668* Fax: *02143 826768*

Email: *info@aristohotel.com.vn* Website: *www.aristohotel.com.vn*

3. Vốn điều lệ : 409.315.961.136 đồng.

Bằng chữ: Bốn trăm lẻ chín tỷ ba trăm mười lăm triệu chín trăm sáu mươi mốt nghìn một trăm ba mươi sáu đồng

Tương đương mười chín triệu tám trăm nghìn đô la Mỹ (19.800.000 USD)

4. Danh sách thành viên góp vốn

STT	Tên thành viên	Quốc tịch	Địa chỉ liên lạc đối với cá nhân; địa chỉ trụ sở chính đối với tổ chức	Phần vốn góp (VNĐ và giá trị tương đương theo đơn vị tiền nước ngoài, nếu có)	Tỷ lệ (%)	Số Giấy tờ pháp lý của cá nhân; Mã số doanh nghiệp đối với doanh nghiệp; Số Giấy tờ pháp lý của tổ chức	Ghi chú
1	CÔNG TY DONACO SINGAPORE PRIVATE LIMITED	Singapore	128 Tanjong Pagar Road Singapore 088535, Singapore	388.778.048.909	95,000	19905699H	

2	CÔNG TY TNHH MỘT THÀNH VIÊN XỔ SỐ KIẾN THIẾT TỈNH LÀO CAI	Việt Nam	Số nhà 044, đường Cốc Lếu, Phường Cốc Lếu, Thành phố Lào Cai, Tỉnh Lào Cai, Việt Nam	20.537.912.227	5,000	5300102587	

5. Người đại diện theo pháp luật của công ty

* Họ và tên: LIM CHING HENG Giới tính: *Nam*

Chức danh: Tổng giám đốc

Sinh ngày: *23/06/1967* Dân tộc: *Quốc tịch: Australia*

Loại giấy tờ pháp lý của cá nhân: *Hộ chiếu nước ngoài*

Số giấy tờ pháp lý của cá nhân: *PB1390922*

Ngày cấp: *05/06/2019* Nơi cấp: *Úc*

Địa chỉ thường trú: *1 Laurel court, Thornlie, 6108, Tây Úc, Quốc Gia Úc, Australia*

Địa chỉ liên lạc: *028 Yết Kiêu, Phường Kim Tân, Thành phố Lào Cai, Tỉnh Lào Cai, Việt Nam*

TRƯỞNG PHÒNG

Trần Nam Bình

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Investment License No. 2268/GP

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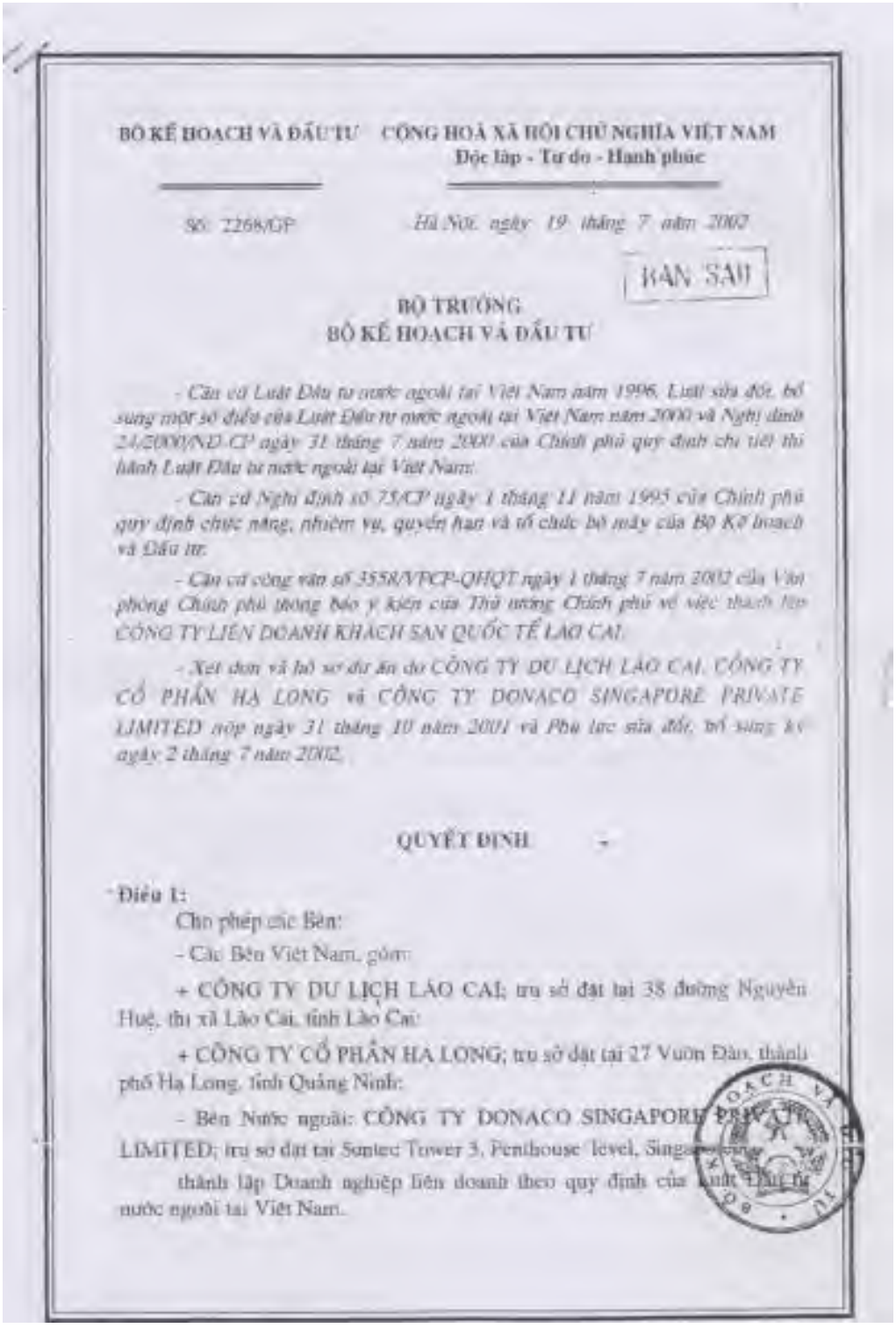

BỘ KẾ HOẠCH VÀ ĐẦU TƯ

CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc

Số: 2268/GP

Hà Nội, ngày 19 tháng 7 năm 2002

BẢN SAO

BỘ TRƯỞNG
BỘ KẾ HOẠCH VÀ ĐẦU TƯ

- Căn cứ Luật Đầu tư nước ngoài tại Việt Nam năm 1996, Luật sửa đổi, bổ sung một số điều của Luật Đầu tư nước ngoài tại Việt Nam năm 2000 và Nghị định 24/2000/NĐ-CP ngày 31 tháng 7 năm 2000 của Chính phủ quy định chi tiết thi hành Luật Đầu tư nước ngoài tại Việt Nam;

- Căn cứ Nghị định số 75/CP ngày 1 tháng 11 năm 1995 của Chính phủ quy định chức năng, nhiệm vụ, quyền hạn và tổ chức bộ máy của Bộ Kế hoạch và Đầu tư;

- Căn cứ công văn số 3558/VPCP-QHQT ngày 1 tháng 7 năm 2002 của Văn phòng Chính phủ thông báo ý kiến của Thủ tướng Chính phủ về việc thành lập CÔNG TY LIÊN DOANH KHÁCH SẠN QUỐC TẾ LÀO CAI;

- Xét đơn và hồ sơ dự án do CÔNG TY DU LỊCH LÀO CAI, CÔNG TY CỔ PHẦN HẠ LONG và CÔNG TY DONACO SINGAPORE PRIVATE LIMITED nộp ngày 31 tháng 10 năm 2001 và Phụ lục sửa đổi, bổ sung ký ngày 2 tháng 7 năm 2002,

QUYẾT ĐỊNH

Điều 1:

Cho phép các Bên:

- Các Bên Việt Nam, gồm:

+ CÔNG TY DU LỊCH LÀO CAI; trụ sở đặt tại 38 đường Nguyễn Huệ, thị xã Lào Cai, tỉnh Lào Cai;

+ CÔNG TY CỔ PHẦN HẠ LONG; trụ sở đặt tại 27 Vườn Đào, thành phố Hạ Long, tỉnh Quảng Ninh;

- Bên Nước ngoài: CÔNG TY DONACO SINGAPORE PRIVATE LIMITED; trụ sở đặt tại Suntec Tower 3, Penthouse level, Singapore;

thành lập Doanh nghiệp liên doanh theo quy định của Luật Đầu tư nước ngoài tại Việt Nam.

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Doanh nghiệp liên doanh có tên gọi là CÔNG TY LIÊN DOANH KHÁCH SẠN QUỐC TẾ LÀO CAI, tên bằng tiếng Anh là LAOCAI INTERNATIONAL HOTEL JOINT VENTURE COMPANY, tên giao dịch là LAOCAI INTERNATIONAL HOTEL; trụ sở đặt tại đường Đặng Châu, phường Duyên Hải, thị xã Lào Cai, tỉnh Lào Cai.

Doanh nghiệp liên doanh có tư cách pháp nhân, có con dấu riêng và phải mở tài khoản tại ngân hàng theo quy định của pháp luật Việt Nam.

Điều 2:

Mục tiêu và phạm vi kinh doanh của Doanh nghiệp liên doanh:

Đầu tư xây dựng cải tạo khách sạn Duyên Hải hiện có trên diện tích 2.500 m2 trên đường Đặng Châu, phường Duyên Hải, thị xã Lào Cai, tỉnh Lào Cai thành một khách sạn đạt tiêu chuẩn quốc tế 4 sao và một trung tâm vui chơi giải trí để:

- Kinh doanh khách sạn, các dịch vụ nhà hàng ăn uống, karaoke, vũ trường, phòng chiếu video, trung tâm thể dục phục hồi sức khoẻ, massage-vật lý trị liệu và các dịch vụ khách sạn khác theo tiêu chuẩn khách sạn 4 sao tại đây.

- Quản lý và vận hành một trung tâm giải trí để kinh doanh dịch vụ vui chơi giải trí có thưởng dành riêng cho người nước ngoài với số lượng 150 máy giật xèng, 150 máy video games và 8 bàn chia bài.

Điều 3:

a) Vốn đầu tư đăng ký của Doanh nghiệp liên doanh là 3.000.000 (năm triệu) đô la Mỹ.

b) Vốn pháp định của Doanh nghiệp liên doanh là 2.000.000 (hai triệu) đô la Mỹ; trong đó:

- Các Bên Việt Nam:

+ CÔNG TY DU LỊCH LÀO CAI góp 400.000 (bốn trăm nghìn) đô la Mỹ, chiếm 20% (hai mươi phần trăm) vốn pháp định, bằng quyền sử dụng 2.500 m2 đất trên đường Đặng Châu, phường Duyên Hải, thị xã Lào Cai, tỉnh Lào Cai trong thời hạn 30 năm và giá trị khách sạn Duyên Hải hiện có.

+ CÔNG TY CỔ PHẦN HẠ LONG góp 200.000 (hai trăm nghìn) đô la Mỹ, chiếm 10% (mười phần trăm) vốn pháp định, bằng tiền mặt.

- Bên Nước ngoài góp 1.400.000 (một triệu bốn trăm nghìn) đô la Mỹ, chiếm 70% (bảy mươi phần trăm) vốn pháp định, bằng tiền mặt.

Điều 4:

Thời hạn hoạt động của Doanh nghiệp liên doanh là 30 năm (ba mươi năm) kể từ ngày được cấp Giấy phép đầu tư.

Điều 5:

a) Doanh nghiệp liên doanh có nghĩa vụ nộp cho Nhà nước Việt Nam:

- Thuế thu nhập doanh nghiệp hàng năm bằng 25% (hai mươi lăm phần trăm) lợi nhuận thu được;

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- Các loại thuế khác theo quy định hiện hành tại thời điểm nộp thuế hàng năm.

b) Doanh nghiệp liên doanh được miễn thuế nhập khẩu đối với hàng hoá nhập khẩu theo quy định tại Điều 57 của Nghị định 24/2000/NĐ-CP ngày 31 tháng 7 năm 2000 của Chính phủ quy định chi tiết thi hành Luật Đầu tư nước ngoài tại Việt Nam.

c) Khi chuyển lợi nhuận ra khỏi Việt Nam, Bên Nước ngoài nộp thuế bằng 7% (bảy phần trăm) số lợi nhuận chuyển ra.

d) CÔNG TY DU LỊCH LÀO CAI phải trả tiền thuê đất cho Nhà nước theo quy định của Ủy ban nhân dân tỉnh Lào Cai.

Điều 6:

Trong quá trình hoạt động, Doanh nghiệp liên doanh phải tuân thủ pháp luật Việt Nam, các quy định của Giấy phép đầu tư, các điều khoản của Hợp đồng liên doanh, Điều lệ Doanh nghiệp liên doanh và Phụ lục sửa đổi, bổ sung ký ngày 2 tháng 7 năm 2002.

Mọi điều khoản của Hợp đồng liên doanh, Điều lệ Doanh nghiệp liên doanh và Phụ lục sửa đổi, bổ sung trái với nội dung của Giấy phép đầu tư này và pháp luật Việt Nam phải được hiểu theo quy định của Giấy phép đầu tư này và pháp luật Việt Nam.

Hoạt động kinh doanh dịch vụ vui chơi giải trí có thưởng phải tuân thủ nghiêm ngặt các quy định hiện hành của pháp luật Việt Nam và chỉ dành riêng cho người nước ngoài trong một khu vực riêng biệt để bảo đảm các yêu cầu về quản lý kinh doanh và an ninh, trật tự. Việc kinh doanh dịch vụ vui chơi giải trí có thưởng dành riêng cho người nước ngoài chỉ được triển khai sau khi thực hiện xong việc cải tạo, xây dựng khách sạn và hoạt động kinh doanh khách sạn đã ổn định. Doanh nghiệp liên doanh phải xây dựng Quy chế quản lý đối với hoạt động kinh doanh dịch vụ vui chơi giải trí có thưởng trình Bộ Kế hoạch và Đầu tư phê duyệt.

Các Bên liên doanh phải thực hiện đầy đủ các biện pháp xử lý chất thải; bảo vệ môi trường, môi sinh, phòng-chống cháy, nổ và an toàn lao động theo các quy định của Nhà nước Việt Nam.

Sau khi nhận được Giấy phép đầu tư này, các Bên liên doanh phải tổ chức ngay việc nghiên cứu lập dự án giai đoạn 2 để đầu tư xây dựng Khu Kim Thành - Lào Cai trong thời hạn tối đa là 10 năm kể từ ngày cấp Giấy phép đầu tư này với vốn đầu tư dự kiến là 128.000.000 đô la Mỹ như Bản cam kết đã được các Bên ký ngày 10 tháng 6 năm 2002 để trình duyệt cấp Giấy phép đầu tư theo quy định.

Chậm nhất là 5 năm kể từ ngày cấp Giấy phép đầu tư này, Doanh nghiệp liên doanh phải chuyển khu vui chơi giải trí có thưởng từ khách sạn Duyên Hải vào Khu Kim Thành - Lào Cai.

Điều 7:

Giấy phép này đồng thời là Giấy chứng nhận đăng ký kinh doanh và Giấy chứng nhận đăng ký Điều lệ Doanh nghiệp liên doanh của CÔNG TY LIÊN DOANH KHÁCH SẠN QUỐC TẾ LÀO CAI.

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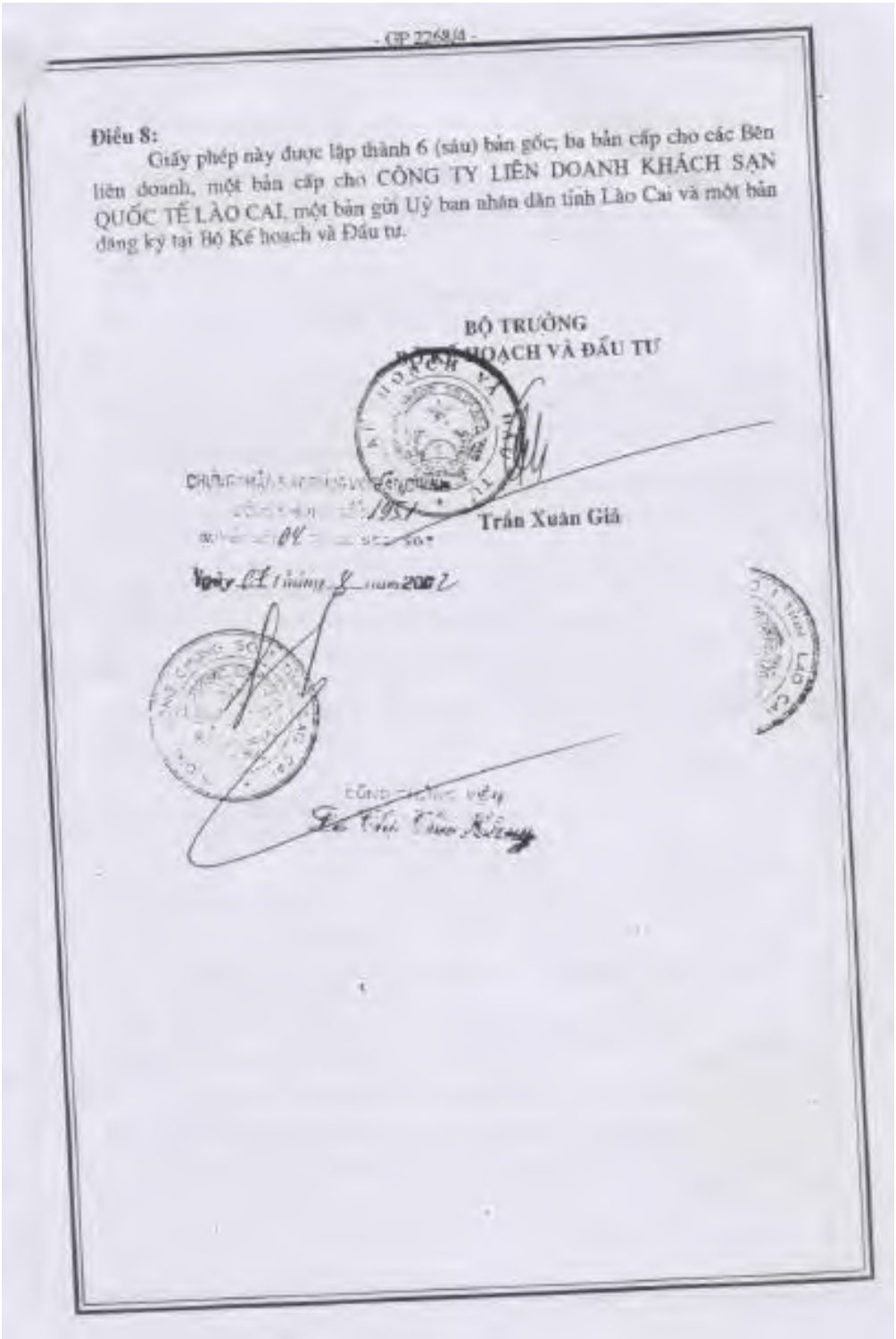

- GP 226814 -

Điều 8:

Giấy phép này được lập thành 6 (sáu) bản gốc; ba bản cấp cho các Bên liên doanh, một bản cấp cho CÔNG TY LIÊN DOANH KHÁCH SẠN QUỐC TẾ LÀO CAI, một bản gửi Uỷ ban nhân dân tỉnh Lào Cai và một bản đăng ký tại Bộ Kế hoạch và Đầu tư.

BỘ TRƯỞNG
KẾ HOẠCH VÀ ĐẦU TƯ

Trần Xuân Giá

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Land Lease Agreement

TO 115 HIỆU 113

CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc

Số 256 /HĐ-TĐ Ngày 23 tháng 8 năm 2002

HỢP ĐỒNG THUÊ ĐẤT

- Căn cứ Luật đất đai năm 1993, Luật sửa đổi bổ sung một số điều của Luật đất đai ngày 02/12/1998 và Luật sửa đổi bổ sung một số điều của Luật đất đai ngày 29/6/2001.
- Căn cứ Quyết định số 2368/QĐ.CT ngày 02 tháng 11 năm 2001 của Uỷ ban nhân dân tỉnh Lào Cai về việc cho Công ty (Xí nghiệp) Du lịch tỉnh Lào Cai được thuê đất để sử dụng vào mục đích Xây dựng Khách sạn
- Căn cứ tờ kê khai đăng ký nộp tiền thuê đất (mẫu số 5)

I/ Bên cho thuê đất (bên A):
Đại diện Sở Địa chính tỉnh (thành phố) Lào Cai
Họ tên: Ông Phạm Đức Thuận
Chức vụ: Giám đốc
Trụ sở: Số 123 - đường Thanh Niên - thị trấn Duyên Hải - thị xã Lào Cai

II/ Bên thuê đất (bên B):
Đại diện Công ty (Xí nghiệp): Du lịch tỉnh Lào Cai
Họ tên: Ông Lê Minh Danh
Chức vụ: Phó giám đốc
Trụ sở: phố Trần Nguyên Hãn
Tài khoản

III/ Hai bên thoả thuận ký hợp đồng thuê đất với các điều khoản sau đây:

Điều 1:

1. Bên A cho bên B thuê 2933,1 m² đất (ghi rõ diện tích bằng chữ) Trong đó bao gồm các loại đất (ghi rõ diện tích của từng loại đất cho thuê):
Đất chuyên dùng Hai nghìn chín trăm ba mươi ba phẩy một mét vuông
tại xã (phường, thị trấn) Duyên Hải
huyện (quận, thị xã, thành phố) Lào Cai để sử dụng vào mục đích Xây dựng Khách sạn
2. Vị trí khu đất được xác định theo bản trích lục bản đồ địa chính tỷ lệ 1/500 do Sở Địa chính tỉnh Lào Cai lập tháng 8 năm 2002
Trích lục bản đồ địa chính do bộ phận quản lý đất đai giao

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3/ Thời hạn thuê đất là:.....năm, kể từ ngày.....tháng.....năm.....
(ghi theo quy định trong Quyết định cho thuê đất).

4/ Việc cho thuê đất không làm mất quyền sở hữu của nhà nước đối với khu đất và mọi tài nguyên nằm trong đất.

Điều 2:

Việc xây dựng các công trình trên khu đất thuê phải phù hợp với mục đích đã ghi trong điều 1 của hợp đồng này.

Điều 3:

1/ Trong thời hạn thực hiện hợp đồng, bên B không được chuyển giao khu đất thuê cho tổ chức, cá nhân khác dưới bất cứ hình thức nào, nếu chưa được cơ quan có thẩm quyền của Nhà nước Việt Nam cho phép (trừ trường hợp được thuê đất được đầu tư xây dựng kết cấu hạ tầng và cho thuê lại tại các khu công nghiệp, khu chế xuất).

Trong thời gian thực hiện hợp đồng, bên A đảm bảo quyền sử dụng đất của bên B không chuyển giao quyền sử dụng đất trên cho các tổ chức và cá nhân khác khi chưa được bên B thoả thuận.

2/ Trường hợp bên B bị phân chia, sát nhập hoặc chuyển nhượng tài sản, hợp đồng cho tổ chức, cá nhân khác, tạo lên pháp nhân mới thì chủ đầu tư phải làm thủ tục thuê đất. Thời hạn thuê đất là thời hạn còn lại của hợp đồng thuê đất, bên B phải chịu mọi chi phí phát sinh khi chuyển giao khu đất thuê.

3/ Trong thời hạn hợp đồng có hiệu lực, nếu bên B muốn trả lại toàn bộ hoặc một phần khu đất thuê trước thời hạn thì bên B phải thông báo cho bên A biết trước là 6 tháng. Bên A trả lời cho bên B trong thời gian 03 tháng kể từ ngày nhận được đề nghị của bên B.

4/ Hợp đồng thuê đất đương nhiên hết hiệu lực trong các trường hợp sau đây:

- Hết thời hạn thuê đất.
- Bên B bị phát mại tài sản hoặc bị phá sản.
- Bên B bị thu hồi Quyết định cho thuê đất hoặc giấy phép hoạt động trước thời hạn.

Điều 4:

1/ Giá tiền thuê đất theo giá thẩm định của Sở Tài chính vật giá Lào Cai.

2/ Tiền thuê đất bắt đầu được tính từ ngày.....và nộp tại tài khoản Kho bạc số.....của kho bạc.....

Số tiền nộp hàng năm.....đồng (viết bằng chữ.....)

Lần đầu nộp 50% (.....đồng) trước ngày 30/6 hàng năm.

Lần sau nộp 50% (.....đồng) trước ngày 15/12 hàng năm.

Các thoả thuận khác (nếu có).

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Điều 5:

Hai bên thoả thuận giải quyết tài sản gắn liền với việc sử dụng đất sau khi kết thúc hợp đồng này theo quy định của pháp luật.

Điều 6:

Tranh chấp giữa hai bên trong quá trình thực hiện hợp đồng trước hết được giải quyết bằng thương lượng. Trường hợp không thể thương lượng được thì tranh chấp sẽ được đưa ra giải quyết theo quy định của pháp luật.

Điều 7:

1/ Bên A có trách nhiệm cung cấp các văn bản liên quan đến việc xác định quyền và nghĩa vụ của bên B, tôn trọng quyền sở hữu về tài sản của bên B xây dựng trên khu đất thuê theo quy định của pháp luật.

2/ Bên B có trách nhiệm thực hiện việc sử dụng đất đúng pháp luật và các quy định trong hợp đồng này.

Điều 8:

Trong trường hợp được cơ quan Nhà nước có thẩm quyền cho phép thay đổi mục đích sử dụng, giá thuê đất, các bên có trách nhiệm làm lại hợp đồng.

Điều 9:

Hợp đồng được ký tại: Kế toán Chính trực Xóm Cai ngày 20 tháng 8 năm 2002 có hiệu lực kể từ ngày ký, và được lập thành 04 bản mỗi bên giữ 01 bản, gửi Sở Tài chính – Vật giá, Cục Thuế./.

BÊN THUÊ ĐẤT	BÊN CHO THUÊ ĐẤT
(Ký tên, đóng dấu)	(Ký tên, đóng dấu)

Land Use Right Certificate

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CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc

ỦY BAN NHÂN DÂN
Tỉnh Lào Cai

CHỨNG NHẬN

Công ty liên doanh khách sạn Quốc tế Lào Cai

Được quyền sử dụng 2.988,0 m^2 đất

Tại: *Phường Duyên Hải*
Thị xã Lào Cai
Tỉnh Lào Cai

Theo bảng liệt kê dưới đây:

Số tờ bản đồ	Số thửa	Diện tích (m^2)	Mục đích sử dụng	Thời hạn sử dụng	Phần ghi thêm
		2.988,0	XD *Khách sạn*	*Đến 02/11/2033*	*Diện tích đất trên là do Công ty Du lịch góp vốn bằng giá trị quyền sử dụng đất của diện tích đất 2.988,0m² đã được UBND tỉnh Lào Cai cho Công ty Du lịch thuê*

Ngày 13 tháng 07 năm 2005
TM. Chủ tịch UBND
PHÓ CHỦ TỊCH

Vào sổ cấp giấy chứng nhận
Quyền sử dụng đất
Số: T00118 QSDĐ/68-T-2005

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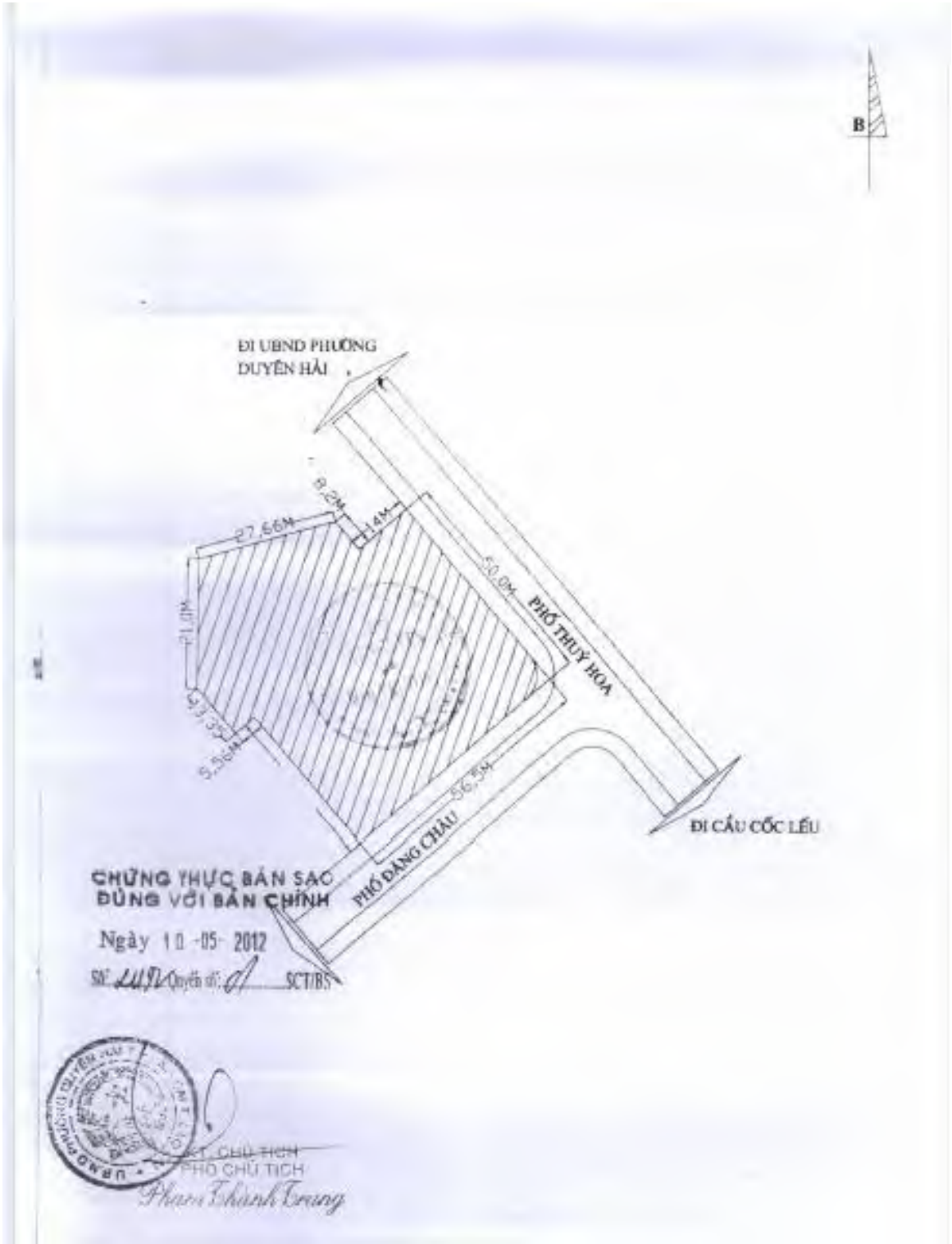

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NHỮNG THAY ĐỔI SAU KHI CẤP GIẤY CHỨNG NHẬN

Ngày tháng năm	Số và nội dung quyết định	Xác nhận của cơ quan có thẩm quyền
25/08/2005	Thế chấp bằng quyền Sử dụng đất với ngân hàng VID Public - Sở giao dịch Hà Nội Thec hợp đồng ngày 8/4/2005, Số công chứng 27, quyển Số: 01/8976-TP/CC	GIÁM ĐỐC
29-9-2011	Đã xóa đăng ký thế chấp theo lệnh số số 000140	

NGƯỜI ĐƯỢC CẤP GIẤY CHỨNG NHẬN QUYỀN SỬ DỤNG ĐẤT CẦN CHÚ Ý !

1- Được hưởng quyền và phải thực hiện nghĩa vụ của người sử dụng đất theo các điều 73, 74, 75, 76, 77, 78, 79 Luật Đất đai 1993.

2- Khi có thay đổi về hình thể, quy mô sử dụng, mục đích sử dụng và người sử dụng khu đất, phải mang giấy chứng nhận này đến đăng ký với cơ quan Nhà nước có thẩm quyền.

3- Không được tự ý sửa chữa, tẩy xóa bất kỳ một nội dung nào trong giấy chứng nhận. Khi bị mất hoặc làm hư hỏng giấy chứng nhận phải khai báo ngay với cơ quan cấp giấy.

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Appendix 4 Valuation calculation

A 2,988sqm land allotment situated on Dang Chau Street, Coc Leu Ward, Lao Cai City, Lao Cai Province, Vietnam

Date of Valuation **17-Mar-25**
Exchange rate **25,531**

Direct comparison method - Adjustments

Comparable Evidence	The Subject Property	Evidence 1	Evidence 2	Evidence 3
Address	Thuy Hoa Street & Dang Chau Street	Lot K9, Hoa Quan Street, Dong Tuyen Ward	T1 Street, Bac Lenh Ward	Bo Song Street, Pho Moi Ward
City/ Province	Lao Cai	Lao Cai	Lao Cai	Lao Cai
Offered land area (sqm)	2,988	6,540	1,194	700
Handover time	Assumed Available	Available	Available	Available
Lease term	Assumed 8.63 years	Long Term	5 years	Long term
Type of development	Assumed vacant land	Vacant land	Vacant land	Vacant land
River view	Yes	No	No	Yes
Boundary/ Width of frontage	The subject site is bordered by: - Approx.50m frontage to Thuy Hoa Street; and - Approx.56.5m frontage to Dang Chau Street.	The subject site is bordered by: - Approx.110m frontage to Hoa Quan Street	The subject site is bordered by: - Approx.50m frontage to T1 Street; and - Approx.22m frontage to internal Streets.	The subject site is bordered by: - Approx.21m frontage to Bo Song Street. - Approx.21m frontage to internal Street.
Current accessibility	Via Dang Chau Street and Thuy Hoa Street which are currently about 12m wide	Via Hoa Quan Street which are currently about 20m wide	- Via T1 Street and Internal Streets which are approx.12m wide	- Via Bo Song Streetand Internal Street which are approx.12m wide .
Surrouding Development	High population density. Surrounding mainly high-to-mid-rise projects, Coc Leu market, shophouses, hotels, and commercial buildings.	Medium population density. Residential dwellings, Kim Thanh Border Gate, markets, schools, offices, hotels, vacant lands and development projects.	Medium population density. Residential dwellings, markets, schools, office, hospital, supermarket, vacant land and development projects.	Medium population density. Residential dwellings, markets, schools, office, hospitals, vacant land, Industrial park and development projects.
Frontage	2 frontages	1 frontage	3 frontages	2 frontages
Distance to CBD of Lao Cai City	Approx. 1.4 km	Approx. 4.8 km	Approx. 8.0 km	Approx. 3.7 km
Asking Land Rental (US$/sqm/year)		**4.3**	**4.6**	**12.1**
Asking price/ Transacted Price		*Transacted Price*	*Asking Price*	*High Asking Price*
Expected discount from asking price		0.0%	-5.0%	-10.0%
		Transacted Price	Asking Price	High Asking Price
Adjustments				
1. Timing/ Transaction condition		3.0%	0.0%	0.0%
Asking time/ transacted time		Q2 2024	Q2 2025	Q2 2025
2. Location				
2.1. Current Accessibility	Via Dang Chau Street and Thuy Hoa Street which are currently about 12m wide	-5.0% Via Hoa Quan Street which are currently about 20m wide	0.0% - Via T1 Street and Internal Streets which are approx.12m wide	0.0% - Via Bo Song Streetand Internal Street which are approx.12m wide .
2.2. Frontage	2 frontages	10.0% 1 frontage	-5.0% 3 frontages	0.0% 2 frontages
3. Surrouding Development		40.0%	40.0%	20.0%
	High population density. Surrounding mainly high-to-mid-rise projects, Coc Leu market, shophouses, hotels, and commercial buildings.	Medium population density. Residential dwellings, Kim Thanh Border Gate, markets, schools, offices, hotels, vacant lands and development projects.	Medium population density. Residential dwellings, markets, schools, office, hospital, supermarket, vacant land and development projects.	Medium population density. Residential dwellings, markets, schools, office, hospitals, vacant land, Industrial park and development projects.
Distance to CBD of Lao Cai City	Approx. 1.4 km	Approx. 4.8 km	Approx. 8.0 km	Approx. 3.7 km
4. Lease term		-10.0%	0.0%	-10.0%
	Assumed 8.63 years	Long Term	5 years	Long term
5. Offered land area (sqm)		5%	-5%	-40%
	2,988	6,540	1,194	700
6. River view/ Border View		30%	30%	10%
	Yes	No	No	River view
Total Adjustments (%)		**73.0%**	**60.0%**	**-20.0%**
Adjusted Average Rent (US$/sqm/year)	**7.7**	**7.5**	**7.0**	**8.7**
Weighting	**100%**	**33%**	**33%**	**33%**

A 2,988sqm land allotment situated on Dang Chau Street, Coc Leu Ward, Lao Cai City, Lao Cai Province, Vietnam

Date of Valuation	17-Mar-25
Land expired Date	02-Nov-33
Remaining tenure as of valuation date (ye	8.6
Land area (sqm)	2,988
Exchange Rate (VND/US$)	25,531
Currency	US$
Discount Rate	12.00%
Escalation rate	3.00%

DCF Analysis

Start date		**17-Mar-2025**	**17-Mar-2026**	**17-Mar-2027**	**17-Mar-2028**	**17-Mar-2029**	**17-Mar-2030**	**17-Mar-2031**	**17-Mar-2032**	**17-Mar-2033**
End date		**16-Mar-2026**	**16-Mar-2027**	**16-Mar-2028**	**16-Mar-2029**	**16-Mar-2030**	**16-Mar-2031**	**16-Mar-2032**	**16-Mar-2033**	**2-Nov-2033**
Project Year		1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	8.62
1. OPERATING MEASURES										
Land rental (US$/year)		7.7	7.9	8.2	8.4	8.7	8.9	9.2	9.5	6.1
Escalation rate		0%	3%	3%	3%	3%	3%	3%	3%	3%
Occupancy (%)		100%	100%	100%	100%	100%	100%	100%	100%	100%
Total land area		2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988
2. P&L STATEMENT										
Revenue		**23,008**	**23,698**	**24,409**	**25,141**	**25,895**	**26,672**	**27,472**	**28,296**	**18,216**
% rev		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Expenses		**690**	**711**	**732**	**754**	**777**	**800**	**824**	**849**	**546**
% rev		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Leasing Agency Fee	3%	690	711	732	754	777	800	824	849	546
% rev		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Net Operating Income		**22,317**	**22,987**	**23,676**	**24,387**	**25,118**	**25,872**	**26,648**	**27,448**	**17,669**

NPV (US$)	**127,747**
MV Say (US$)	**128,000**

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CORPORATE DIRECTORY

Directors

Porntat Amatavivadhana (Non-Executive Chairman)

Techatut Sukcharoenkraisri (aka Lee Bug Huy) (Executive Director & CEO)

Roderick Sutton (Non-Executive Director)

Andrew Phillips (Non-Executive Director)

Issaraya Intrapaiboon (Non-Executive Director)

Registered office

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c/-Lumina IP Pty Limited
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Sydney NSW 2000

ASX Ticker Code: DNA

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Joan Dabon

Laura Newell

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Ashurst

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Independent Expert

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Independent Property Expert

Knight Frank Petty Limited

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BDO Audit Pty Ltd

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