



21 October 2019

Dear Shareholder

It is my pleasure to invite you to the 2019 Annual General Meeting (**AGM**) of Donaco International Limited (the **Company**).

The AGM will commence at **2:30pm (Sydney time) on Friday, 29 November 2019**, at the offices of Automic, Level 5, 126 Phillip Street, Sydney NSW 2000.

I enclose your Notice of Meeting, together with the following documents:

- A message from the Board, providing full background to the resolutions and recommendations;
- A detailed Explanatory Memorandum;
- A personalised Proxy Form; and
- The Company's 2019 Annual Report (if you elected to receive a hard copy).

What you need to do

All shareholders should carefully read the attached documents, and decide whether to vote on the resolutions contained in the Notice of Meeting.

The resolutions being considered at the meeting are important as they have the potential to affect control of the Company. As such, the Board encourages you to vote. If you would like to vote, you may either vote online, attend the AGM, or alternatively appoint a proxy to vote for you at the AGM by using the attached Proxy Form. If you intend to appoint a proxy, please complete the Proxy Form and return it to us in accordance with the directions on the reverse side of the form by **2:30pm (Sydney time) on Wednesday, 27 November 2019**.

Attendance

If you wish to attend the AGM:

- please bring your proxy form with you to assist us to process your registration efficiently; and
- if convenient, email us on enquiries@donacointernational.com to confirm your attendance.

Your Directors and the Company's management look forward to welcoming you to the AGM.

Yours faithfully,

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

Stuart J McGregor
Chairman

PLEASE BRING YOUR PROXY FORM TO THE ANNUAL GENERAL MEETING

Donaco International Limited

Level 18, 420 George Street
Sydney, NSW 2000 Australia

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[ABN] 28 007 424 777

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Message from the Board

A NEW BEGINNING FOR THE COMPANY

Over the past 12 months, the Company has been substantially transformed, with a new shareholder base, new Board, and new Chief Executive Officer.

The resolutions put forward by the Board at this AGM are designed to seek endorsement by shareholders of these changes. The Board seeks to confirm the ongoing appointments of all of the current Directors. The Board also proposes to change the name of the Company to “Pan Asian Leisure Limited”, as a public statement that we are leaving the past behind.

The financial performance of the Company during the past two financial years has been unacceptable. Although the Company has always remained profitable and cash flow positive during this period, revenues and earnings have declined, and significant statutory losses have been recorded, due to the non-cash impairment charges on the Star Vegas business.

The Board has taken strong action to address this decline, in two key areas: by removing and replacing the management team responsible for the operational performance during this period; and by taking legal action to protect and preserve shareholder rights.

In the Board’s view, the decline in financial performance is largely due to the breaches of the non-compete agreement by the Thai vendors of the Star Vegas business. The Company has launched legal proceedings against the Thai vendors, and an arbitration claim is ongoing in Singapore. Expert witnesses have valued the Company’s claim in the amount of USD240 million.

In retaliation for this claim, the Thai vendor has launched a number of claims in the Cambodian courts, which have caused disruption to the Star Vegas business. In particular, the Thai vendor has sought to terminate the registered perpetual lease of the land on which the Star Vegas business sits. The facts of this matter are accurately summarised in the Company’s ASX release dated 22 August 2019.

As a result of the uncertainty caused by these legal disputes, the Company’s share price has declined steeply. This is also unacceptable.

Together with all other shareholders, the Directors have felt the pain of these share price declines. Over the years, the Chairman Mr Stuart McGregor, and Executive Director Mr Ben Reichel, have each invested a substantial amount of their own capital in buying the Company’s shares. At the current share price (around 8 cents), each of them has lost approximately \$180,000 on the value of their investment.

As the Executive Director and General Counsel, Mr Reichel has led the efforts to protect and preserve the Company’s legal rights. Mr Reichel is also responsible for communicating with the ASX, and keeping shareholders informed of all material developments in these matters. As a result, the Thai vendor has filed criminal defamation proceedings in Thailand against Mr Reichel and the Company. The law in Thailand allows private citizens to file a defamation claim, and have it classified not just as a civil matter, but as a criminal matter, if a judge can be persuaded to do so. Accordingly, Mr Reichel faces personal danger if he travels to Thailand.

Apart from the legal disputes, the Board has also focussed on the major tasks of renewing the management team, and renewing the Board itself. Over the past two financial years, the management team was led by Mr Joey Lim, his brother Mr Ben Lim, and his good friend Mr Gerald Tan, who was appointed by Mr Joey Lim to the role of Interim General Manager at DNA Star Vegas in August 2017. Subsequently, Mr Joey Lim appointed Mr Gerald Tan to the role of Chief Operating Officer in February 2018.



Mr Joey Lim stepped down from the role of Managing Director and Chief Executive Officer in December 2018. He was replaced by Mr Ben Lim as Interim Managing Director and Chief Executive Officer.

In December 2018, the Board announced that it was seeking to appoint two new independent directors. At that time, the Board consisted of the Chairman, Mr Reichel, Mr Joey Lim, and Mr Ben Lim. It should be noted that under the Company's Constitution, the Chairman has a casting vote in the event of any deadlock on a proposed Board resolution.

In February 2019, 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 properties. The Chairman and Mr Reichel voted in favour of the transaction, while Mr Joey Lim and Mr Ben Lim voted against it.

In March 2019, the Board terminated Mr Joey Lim's employment agreement, with immediate effect.

In April 2019, Mr Gerald Tan and Mr Joey Lim made an application to 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 the application succeeded in delaying and ultimately frustrating the deal.

In April 2019, the Board appointed Mr David Green as an independent non-executive Director.

In June 2019, the Board appointed Mr Paul Arbuckle as Chief Executive Officer. At the same time, the Board terminated the executive roles of Mr Ben Lim and Mr Gerald Tan.

In July 2019, shareholders voted overwhelmingly to remove Mr Joey Lim and Mr Ben Lim from the Board. There were approximately 508 million votes in favour of removal, and approximately 8 million votes to keep them on the Board. Of the 8 million votes, approximately 7 million were controlled by Mr Gerald Tan.

In August 2019, the Board welcomed Mr Kurkye Wong and Mr Leo Chan as Directors, representing Argyle Street Management, now the Company's largest shareholder. The Board also welcomed Mr Yugo Kinoshita as an independent non-executive Director.

Accordingly the Board has been substantially transformed in the past 12 months, and for the first time, there are three independent Directors. The management team has also been transformed, with Mr Paul Arbuckle as the new CEO. The new team has already delivered significantly improved financial results at both of the Company's casino properties in the September 2019 quarter. The CEO's report on pages 5-7 of the 2019 Annual Report provides more information on the initiatives that are being undertaken to improve the performance of the Company's businesses.

Corporate costs have also been substantially reduced. In particular, the total remuneration paid to key management personnel was reduced by 48% during financial year 2019, compared to 2018.

All of these positive changes have been driven by the Chairman and Mr Reichel, with the strong support of Mr Green since April 2019, and the strong support of Mr Chan, Mr Wong and Mr Kinoshita since August 2019. The Board has fought hard to protect and preserve shareholder value, at considerable personal cost and risk. It is now time to leave the past behind and allow the Company to move forward with the current, stable board, which is not subject to challenge, and can focus on creating value for shareholders.

Accordingly the Board seeks the endorsement of shareholders by recommending a vote **FOR Items 2 to 8**, and **AGAINST Items 9 to 20**.



Donaco International Limited

ABN 28 007 424 777

Registered Office: Level 18
420 George Street
SYDNEY NSW 2009

Notice of 2019 Annual General Meeting

Donaco International Limited (the **Company**) gives notice that its Annual General Meeting of members (**AGM**) will be held at 2:30pm (Sydney time) on Friday, 29 November 2019 at:

Level 5
126 Phillip Street
Sydney NSW 2000

Registration commences at 2:00pm (Sydney time). Representatives of corporate shareholders should present satisfactory evidence of appointment when registering.

Items of Business

Item 1: Financial Statement and Reports

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and the Auditor for the financial year ended 30 June 2019.

Item 2: Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That the Remuneration Report as set out in the 2019 Annual Report be adopted."

Under the Corporations Act, the vote on this resolution is advisory only and will not bind the Company or the Directors. However, if 25% or more of the votes validly cast on this resolution are against it, the conditional spill resolution in Item 9 will be put to the AGM.

Item 3: Election of Director – Mr David Green

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That David John Green, a Director appointed by the Directors on 9 April 2019 and retiring at this AGM in accordance with the Company's constitution, being eligible, is elected as a Director of Donaco International Limited."

Item 4: Election of Director – Mr Kurkye Wong

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That Kurkye Wong, a Director appointed by the Directors on 12 August 2019 and retiring at this AGM in accordance with the Company's Constitution, being eligible, is elected as a Director of Donaco International Limited."

Item 5: Election of Director – Mr Leo Chan

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Yan Ho Leo Chan, a Director appointed by the Directors on 12 August 2019 and retiring at this AGM in accordance with the Company’s constitution, being eligible, is elected as a Director of Donaco International Limited.”

Item 6: Election of Director – Mr Yugo Kinoshita

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Yugo Kinoshita, a Director appointed by the Directors on 14 August 2019 and retiring at this AGM in accordance with the Company’s constitution, being eligible, is elected as a Director of Donaco International Limited.”

Item 7: Re-Election of Director – Mr Ben Reichel

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Benedict Paul Reichel, a Director retiring at this AGM in accordance with the Company’s constitution, being eligible, is re-elected as a Director of Donaco International Limited.”

Item 8: Change of Company Name

To consider and, if thought fit, to pass the following as a special resolution:

“That, for the purposes of section 157(1) of the Corporations Act 2001 (Cth) and for all other purposes, the name of the Company be changed from Donaco International Limited to Pan Asian Leisure Limited, and that, for the purposes of section 136(2) of the Corporations Act 2001 (Cth) and for all other purposes, all references to “Donaco International Limited” (or any other previous name of the Company) be replaced with references to “Pan Asian Leisure Limited”.”

Item 9: Remuneration Report – Spill Resolution (conditional item)

If at least 25% of votes validly cast on the resolution proposed in item 2 (Remuneration Report) are against that resolution, then a spill resolution (being an ordinary resolution to hold another meeting of shareholders to vote on the election of Directors) will be put to the AGM.

In this event, shareholders will be asked to consider and, if thought fit, to pass the following as an ordinary resolution:

“That, subject to and conditional on at least 25% of the votes validly cast on the resolution at item 2 being cast against the adoption of the Remuneration Report:

(a) an extraordinary general meeting of Donaco International Limited (the ‘Spill Meeting’) be held within 90 days of the passing of this resolution;

(b) all of the Directors who were in office when the resolution to approve the Directors’ Report for the year ended 30 June 2019 was passed and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and

(c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.”

The Board is not proposing Items 10 to 20. The Company is required to put Items 10 to 20 to shareholders due to a request made by a requisitioning shareholder.

The Board recommends that all shareholders vote AGAINST Items 10 to 20. Each Director intends to vote all shares in the Company held or controlled by him AGAINST Items 10 to 20.

Item 10: Removal of Mr Stuart James McGregor as a director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, pursuant to section 203D of the Corporations Act 2001 (Cth) and clause 12.11 of the Company’s constitution, Mr Stuart James McGregor be removed as a director of the Company with effect from the close of the meeting.”

Item 11: Election of Mr Neil John Sheather as a director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, pursuant to section 201G of the Corporations Act 2001 (Cth) and clause 12.7 of the Company’s constitution, Mr Neil John Sheather be elected as a director of the Company with effect from the close of the meeting.”

Item 12: Removal of Mr Benedict Paul Reichel as a director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, pursuant to section 203D of the Corporations Act 2001 (Cth) and clause 12.11 of the Company’s constitution, Mr Benedict Paul Reichel be removed as a director of the Company with effect from the close of the meeting.”

Item 13: Election of Mr Dale Klynhout as a director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, pursuant to section 201G of the Corporations Act 2001 (Cth) and clause 12.7 of the Company’s constitution, Mr Dale Klynhout be elected as a director of the Company with effect from the close of the meeting.”

Item 14: Removal of Mr David John Green as a director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, pursuant to section 203D of the Corporations Act 2001 (Cth) and clause 12.11 of the Company’s constitution, Mr David John Green be removed as a director of the Company with effect from the close of the meeting.”

Item 15: Election of Mr Lim Tow Chong as a director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, pursuant to section 201G of the Corporations Act 2001 (Cth) and clause 12.7 of the Company’s constitution, Mr Lim Tow Chong be elected as a director of the Company with effect from the close of the meeting.”

Item 16: Removal of Mr Yan Ho Leo Chan as a director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, pursuant to section 203D of the Corporations Act 2001 (Cth) and clause 12.11 of the Company's constitution, Mr Yan Ho Leo Chan be removed as a director of the Company with effect from the close of the meeting."

Item 17: Election of Mr Gerald Nicholas Tan Eng Hoe as a director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, pursuant to section 201G of the Corporations Act 2001 (Cth) and clause 12.7 of the Company's constitution, Mr Gerald Nicholas Tan Eng Hoe be elected as a director of the Company with effect from the close of the meeting."

Item 18: Removal of Mr Kurkye Wong as a director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, pursuant to section 203D of the Corporations Act 2001 (Cth) and clause 12.11 of the Company's constitution, Mr Kurkye Wong be removed as a director of the Company with effect from the close of the meeting."

Item 19: Election of Mr Tan Teck Lee Patrick as a director of the Company

Subject to the results of Items 10 to 18 not giving rise to a Board comprising of 10 or more directors (10 being the maximum number of directors of the Company pursuant to clause 12.1 of the constitution), to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, pursuant to section 201G of the Corporations Act 2001 (Cth) and clause 12.7 of the Company's constitution, Mr Tan Teck Lee Patrick be elected as a director of the Company with effect from the close of the meeting."

Item 20: Removal of Mr Yugo Kinoshita as a director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, pursuant to section 203D of the Corporations Act 2001 (Cth) and clause 12.11 of the Company's constitution, Mr Yugo Kinoshita be removed as a director of the Company with effect from the close of the meeting."

By order of the Board



Ben Reichel
Company Secretary

21 October 2019

Important Notes on the Resolutions

1. For further information and explanation on all resolutions, please refer to the Explanatory Memorandum which is **attached** and forms part of this Notice of Annual General Meeting.
2. **The Board recommends unanimously that all shareholders vote FOR Items 2 to 8, and AGAINST Items 9 to 20**, on the basis set out in the enclosed Explanatory Memorandum, except that:
 - Mr David Green abstains from making a recommendation in relation to Items 3 and 14;
 - Mr Kurkye Wong abstains from making a recommendation in relation to Items 4 and 18;
 - Mr Leo Chan abstains from making a recommendation in relation to Items 5 and 16;
 - Mr Yugo Kinoshita abstains from making a recommendation in relation to Items 6 and 20;
 - Mr Ben Reichel abstains from making a recommendation in relation to Items 7 and 12; and
 - Mr Stuart McGregor abstains from making a recommendation in relation to Item 10.

Entitlement to vote

The Directors have decided that, for the purpose of determining entitlements to attend and vote at the AGM, shares will be taken to be held by the persons who are the registered holders at 7:00pm (Sydney time) on Wednesday, 27 November 2019. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

Voting restrictions and exclusions in respect of the Resolutions are set out below for each resolution.

How to vote

Shareholders entitled to vote at the AGM may vote:

- via online voting, following the instructions set out in your proxy form;
- by attending the AGM and voting in person;
- by appointing an attorney to attend the AGM and vote on their behalf or, in the case of corporate members or proxies, a corporate representative to attend the AGM and vote on its behalf; or
- by appointing a proxy to attend and vote on their behalf, using the Proxy Form accompanying this Notice. A proxy may be an individual or a body corporate.

Voting in person (or by attorney)

Shareholders or their proxies, attorneys or representatives (including representatives of corporate proxies) wishing to vote in person should attend the AGM and bring a form of personal identification (such as their driver's licence).

To vote by attorney at this AGM, the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed must be received by the Registry before 2:30pm (Sydney time) on Wednesday, 27 November 2019.

To vote in person, you or your proxy, attorney, representative or corporate proxy representative must attend the AGM to be held at Level 5, 126 Phillip Street, Sydney on 29 November 2019 commencing at 2:30pm (Sydney time).

A vote cast in accordance with the appointment of a proxy or power of attorney is valid even if before the vote was cast the appointor:

- died;
- became mentally incapacitated;
- revoked the proxy or power; or
- transferred the Shares in respect of which the vote was cast,

unless the Company received written notification of the death, mental incapacity, revocation or transfer before the AGM or adjourned AGM.

Voting by proxy

Shareholders wishing to vote by proxy at this AGM must:

- complete and sign or validly authenticate the Proxy Form, which is enclosed with this Notice of Annual General Meeting; and
- deliver the signed and completed Proxy Form to the Company by 2:30pm (Sydney time) on Wednesday, 27 November 2019 in accordance with the instructions below.

A person appointed as a proxy may be an individual or a body corporate.

Submitting proxy votes

Shareholders wishing to submit proxy votes for the AGM must return the enclosed Proxy Form to the Company in any of the following ways:

- by online voting: Please refer to the instructions on your proxy form.
- by email: meetings@automicgroup.com.au
- by post: **Automic, GPO Box 5193, Sydney NSW 2001**
- by hand delivery: **Automic, Level 5, 126 Phillip Street, Sydney NSW 2000**

Notes

Proxies

1. A Shareholder entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote at the AGM on that Shareholder's behalf.
2. A proxy need not be a Shareholder.
3. A proxy may be an individual or a body corporate. A proxy that is a body corporate may appoint a representative to exercise the powers that the body corporate may exercise as the Shareholder's proxy.
4. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half the votes.

5. An appointment of a proxy may specify the way the proxy is to vote on a particular resolution. If it does:
- The proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - If the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands.
6. A proxy may vote or abstain as he or she chooses except where the appointment of the proxy directs the way the proxy is to vote on a particular resolution. If an appointment directs the way the proxy is to vote on a particular resolution:
- if the proxy is the chair – the proxy must vote on a poll and must vote in the way directed; and
 - if the proxy is not the chair – the proxy need not vote on a poll, but if the proxy does so, the proxy must vote in the way directed.
7. If a proxy appointment is signed or validly authenticated by the Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors or of the Company Secretary. If:
- a Shareholder nominates the Chairman as the Shareholder's proxy; or
 - the Chairman is to act as proxy if a proxy appointment is signed by a Shareholder but does not name the proxies in whose favour it is given or otherwise under a default appointment according to the terms of the Proxy Form,
- then the person acting as Chairman in respect of an item of business at the AGM must act as proxy under the appointment in respect of that item of business.
8. Proxy appointments in favour of the Chairman, the Company Secretary or any Director which do not contain a direction will be voted FOR Resolutions 1 to 8, and AGAINST Resolutions 9 to 20.

Corporate representatives

1. To vote in person at the AGM, a Shareholder or proxy which is a body corporate may appoint an individual to act as its representative.
2. To vote by corporate representative at the AGM, a corporate Shareholder or proxy should obtain an Appointment of Corporate Representative Form from the Registry, complete and sign the form in accordance with the instructions on it. The appointment should be lodged at the registration desk on the day of the AGM.
3. The appointment of a representative may set out restrictions on the representative's powers.
4. The original form of appointment of a representative, a certified copy of the appointment, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.
5. The Chairman may permit a person claiming to be a representative to exercise the body's powers even if he or she has not produced a certificate or other satisfactory evidence of his or her appointment.

Explanatory Memorandum

The Board recommends unanimously that all shareholders vote FOR Items 2 to 8, and AGAINST Items 9 to 20, on the basis set out in this Explanatory Memorandum, except that:

- Mr David Green abstains from making a recommendation in relation to Items 3 and 14;
- Mr Kurkye Wong abstains from making a recommendation in relation to Items 4 and 18;
- Mr Leo Chan abstains from making a recommendation in relation to Items 5 and 16;
- Mr Yugo Kinoshita abstains from making a recommendation in relation to Items 6 and 20;
- Mr Ben Reichel abstains from making a recommendation in relation to Items 7 and 12; and
- Mr Stuart McGregor abstains from making a recommendation in relation to Item 10.

Introduction

This Explanatory Memorandum has been prepared to assist shareholders with their consideration of all items of business contained in the Notice of Annual General Meeting of shareholders of Donaco International Limited ABN 28 007 424 777 (**the Company**) to be held at 2:30pm (Sydney time) on Friday, 29 November 2019, at Level 5, 126 Phillip Street, Sydney NSW 2000.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

If you are in doubt of what to do in relation to any of the resolutions, you should consult your financial or other professional advisors as soon as possible.

Item 1: Financial Statements and Reports

The Corporations Act and the Company's Constitution (rule 20.2) require that the Report of the Directors, the Auditor's Report and the Financial Report be laid before the AGM. Shareholders will be given ample opportunity to ask questions with respect to these reports and statements at the AGM. There is no formal resolution for this item.

In addition to asking questions at the AGM, shareholders may address written questions to the Chairman about the management of the Company. Shareholders may also address written questions to the Company's auditor (Crowe Sydney) if the question is relevant to:

- (a) the content of the auditor's report; or
- (b) the conduct of its audit of the annual financial report to be considered at the AGM.

Under section 250PA(1) of the Corporations Act, a shareholder must submit the question to the Company no later than the fifth business day before the day on which the AGM is held. Written questions for the auditor must be delivered by Friday 22 November 2019. Please send any written questions to:

The Company Secretary
Donaco International Limited
Level 18
420 George Street
Sydney NSW 2000

Board Resolutions - Items 2 to 8

The Board recommends that all shareholders vote FOR Items 2 to 8.

Item 2: Non-binding Resolution – Remuneration Report

As required by the Corporations Act, a resolution for the adoption of the Remuneration Report must be put to the vote. The Remuneration Report is contained within the Directors’ Report in the 2019 Annual Report, on pages 19 to 31.

Shareholders attending the AGM will have the opportunity to ask questions and make comments on the Remuneration Report.

Item 2 is a non-binding, advisory resolution to adopt the Remuneration Report. This vote is advisory only and does not bind the Company or the Directors, except as outlined below and in the explanatory notes for Item 9. However the Board will take the outcome of the vote into consideration when reviewing the remuneration policies of the Company.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs (treating this AGM as the second such meeting), shareholders will be required to vote at the second of those AGMs on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s directors (other than the Managing Director, if any) must stand for re-election. This is known as the “two strikes” rule.

Prior to last year’s AGM, the instructions given to validly appointed proxies (including open proxies to the Chairman) in respect of the remuneration report were 91.5% in favour of the resolution, with approximately 258 million eligible votes in favour, and 24 million votes against. However, a representative of the Thai vendor of the Star Vegas business, who is currently engaged in litigation with the Company, attended the meeting and requested a poll, and voted the vendor’s 148 million shares against the resolution. As a result, the Company incurred a “first strike” on its remuneration report. However it is unclear whether this reflects a concern on remuneration matters, since no comments have ever been received from the Thai vendor on those matters.

Of the two proxy advisory firms to publish a recommendation on last year’s remuneration report, one recommended a vote in favour, and one recommended a vote against. The Board has addressed the concerns by its restructure of the management team, as explained in detail above. In particular, the total remuneration paid to key management personnel was reduced by 48% during financial year 2019, compared to 2018. Since the applicable key performance indicators were not met, two executives forfeited 80% to 90%, and the others forfeited 100%, of their potential short term incentive, and all executives forfeited 100% of their potential long term incentive. All outstanding options were cancelled during the year, and executives received no benefit. Further, current employment contracts for senior executives do not contain excessive termination benefits, unlike the contracts for former executives.

Due to the two strikes rule, votes against the resolution proposed in Item 2 may lead to a further meeting to elect Directors. If at least 25% of the votes validly cast on Item 2 are cast against the resolution to adopt the Remuneration Report, the Company would receive a “second strike” for the purposes of the Corporations Act, and will be required to put the conditional spill resolution in Item 9 to the vote of shareholders at this AGM. For details of the effect of any spill resolution, please read the explanatory notes for Item 9.

Voting exclusion statement

In accordance with the *Corporations Act 2001 (Cth) (Corporations Act)*, no votes may be cast by, and the Company will disregard any votes cast on this Item 2 by or on behalf of:

- the Chairman, other directors, or other key management personnel whose remuneration is included in the Remuneration Report; and
- closely related parties (such as specified family members, dependants and any controlled companies) of those persons.

However, the Company need not disregard any of the above mentioned votes if:

- cast by a person as proxy for a person entitled to vote, in accordance with the directions on the Proxy Form; or
- cast by the person chairing the meeting as proxy for a person who is entitled to vote, and the Proxy Form expressly authorises the Chairman to exercise the proxy and vote as the Chairman decides even though the resolution is connected directly or indirectly with the remuneration of members of the key management personnel.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on this Resolution by marking either “For”, “Against” or “Abstain” on the Proxy Form for this Resolution.

If you appointed the Chairman as your proxy, or the Chairman becomes your proxy by default, and you have not directed your proxy how to vote in respect of Item 2, you expressly authorise the Chairman to exercise your proxy in respect of this item even though Item 2 is connected with the remuneration of a member of the key management personnel for the Company.

Item 3: Election of Director – Mr David Green

The Company’s Constitution (rule 12.9) provides that a person appointed either to fill a casual vacancy or as an addition to the existing Directors will hold office until the conclusion of the next annual general meeting of the Company, but is eligible for election at that meeting.

As part of the Board’s efforts to reform and strengthen its composition, the Board has appointed Mr David John Green as an additional independent non-executive Director.

Mr Green has extensive experience in the gaming industry, particularly in Asia, and specific experience in Cambodia and Vietnam. His experience spans both regulations and operations, as well as board positions, and he specialises in governance matters. Mr Green is both a qualified lawyer and qualified accountant and is a former partner and director of the Gaming Practice of PricewaterhouseCoopers (Macau) Limitada. He has worked with the Macau SAR Government in relation to the liberalisation and regulation of the casino industry, and also consulted the Royal Government of Cambodia on the drafting of the proposed Law on the Management of Integrated Resorts and Commercial Gaming.

Mr Green is the Chair of the Audit & Risk Management Committee and the Nominations, Remuneration & Corporate Governance Committee.

Item 4: Election of Director – Mr Kurkye Wong

The Company’s Constitution (rule 12.9) provides that a person appointed either to fill a casual vacancy or as an addition to the existing Directors will hold office until the conclusion of the next annual general meeting of the Company, but is eligible for election at that meeting.

As part of the Board's efforts to reform and strengthen its composition, and to reflect changes in the shareholder register, the Board has appointed Mr Kurkye Wong as an additional non-executive Director.

Mr Wong is a representative from Argyle Street Management Limited (ASM), an institutional investor. ASM was founded in Hong Kong SAR in 2002 and currently manages approximately US\$1.7 billion. Mr Wong is Vice President of ASM, and has previously worked at KPMG and FTI Consulting in Hong Kong. He holds a Bachelor of Business from the Queensland University of Technology, a Juris Doctor from the Chinese University of Hong Kong, and a Master's Degree in Financial Engineering from Stanford University.

Item 5: Election of Director – Mr Leo Chan

The Company's Constitution (rule 12.9) provides that a person appointed either to fill a casual vacancy or as an addition to the existing Directors will hold office until the conclusion of the next annual general meeting of the Company, but is eligible for election at that meeting.

As part of the Board's efforts to reform and strengthen its composition, and to reflect changes in the shareholder register, the Board has appointed Mr Yan Ho Leo Chan as an additional non-executive Director.

Mr Chan is a representative from Argyle Street Management Limited (ASM), an institutional investor. ASM was founded in Hong Kong SAR in 2002 and currently manages approximately US\$1.7 billion. Mr Chan is an Executive Director of ASM, and has more than 13 years' experience in making and managing investments throughout Asia. He holds a Bachelor of Economics and Finance from the University of Hong Kong.

Item 6: Election of Director – Mr Yugo Kinoshita

The Company's Constitution (rule 12.9) provides that a person appointed either to fill a casual vacancy or as an addition to the existing Directors will hold office until the conclusion of the next annual general meeting of the Company, but is eligible for election at that meeting.

As part of the Board's efforts to reform and strengthen its composition, the Board has appointed Mr Yugo Kinoshita as an additional independent non-executive Director.

Mr Kinoshita is the Global Chief Executive Officer of Aruze Gaming America, Inc, a global entertainment company that designs, develops, manufactures, distributes and services slot machines and other gaming devices for the world-wide casino market. Mr Kinoshita's professional experience includes senior marketing and advertising roles at Nike Japan and Dentsu Inc. in Tokyo. He holds a Masters of Business Administration from Babson College in Massachusetts, USA, and a Bachelor of Human Science from Waseda University in Tokyo, Japan.

Mr Kinoshita is a member of the Audit & Risk Management Committee and the Nominations, Remuneration & Corporate Governance Committee.

Item 7: Re-Election of Director – Mr Ben Reichel

The Company's Constitution (rule 12.4) requires that one-third of the Directors, excluding the Managing Director, if any (or if that number is not a multiple of three, then the number nearest one-third), must retire at the AGM. The Constitution (rule 12.4) and Listing Rule 14.4 further provide that each Director is required to retire no later than at the third annual general meeting convened by the Company following his or her last election or appointment by a general meeting. Any Director retiring from office under rule 12.4 is eligible for re-election.



As all current Directors are already standing for election at this AGM (other than the Chairman, who was re-elected in 2017)), one Director will retire by rotation at this AGM.

Benedict Paul Reichel is due to retire by rotation in accordance with the Constitution and, being eligible, presents himself for re-election.

Mr Reichel is an executive and company director in the gaming, media, and technology sectors, with more than twenty years' experience in major Australian listed public companies and law firms. Mr Reichel held the position of Chief Executive Officer and Managing Director of the Company (then called Two Way Limited) from July 2007 to January 2012, and has remained on the Board since then. Previously, Mr Reichel was General Counsel of Tab Limited, a \$2 billion ASX listed company with operations in wagering, gaming and media. Prior to that, he was General Counsel of racing broadcaster Sky Channel Pty Limited, and held a number of executive positions at Publishing and Broadcasting Limited.

Mr Reichel is an Executive Director, and also holds the positions of General Counsel, Company Secretary, and Head of Investor Relations.

Item 8: Change of Company Name

Shareholder approval is sought to change the Company's name from "Donaco International Limited" to "Pan Asian Leisure Limited". In accordance with section 157 of the Corporations Act, if a company wishes to change its name, it must pass a special resolution of shareholders to adopt the new name.

In accordance with the Message from the Board at pages 2-3 above, the Board considers that the changes to the shareholder base, Board composition, and management team should be reflected in a change of name of the Company. This is a tangible statement by the Board that it is time to leave the past behind.

The new name selected by the Board is "Pan Asian Leisure Limited". This reflects the geographic spread and industry focus of the Company's businesses. The new name will refresh the corporate image and identity of the Company, and provide a far better insight into the Company than the current name.

If the change of name is approved, the Company's ASX code will change from "DNA" to "PNA".

The Board recommends that all shareholders vote AGAINST Item 9, if put to the vote at the AGM.

Item 9: Remuneration Report – Spill Resolution

This is a conditional item of business, and has been included because more than 25% of the votes cast at last year's AGM on the resolution to adopt the 2018 remuneration report were against the resolution (see item 2 above). Accordingly the Company received a "first strike" on the remuneration report. The Company will receive a "second strike" at this AGM if at least 25% of the votes validly cast on the resolution in Item 2 above are cast against that resolution. If less than 25% of the votes validly cast on the resolution in Item 2 are against the resolution, the resolution set out in this Item 9 (the "Spill Resolution") will not be put to the AGM.

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If the Spill Resolution is put to the vote and passed at the AGM, the Company would be required to call an extraordinary general meeting of shareholders (the “Spill Meeting”) within 90 days after the Spill Resolution is passed to consider the composition of the Board. If a Spill Meeting is required, details of the Spill Meeting will be notified to shareholders and a separate Notice of Meeting, Explanatory Memorandum and Proxy Form will be sent to shareholders.

If a Spill Meeting is held, all current Directors will automatically cease to hold office at the end of the Spill Meeting unless they are willing to stand for re-election, and are re-elected, at the Spill Meeting. In the case of all Directors other than Mr Stuart McGregor, this assumes that these Directors are re-elected at this AGM. Those Directors who are re-elected at this AGM will still need to be re-elected at any Spill Meeting to remain in office after that time.

All current Directors are affected, since they all held office on 27 August 2019 when the Directors’ Report (including the Remuneration Report) for the year ended 30 June 2019 was approved by the Directors. Each of the Directors will be eligible to seek re-election at any Spill Meeting. However, there is no assurance that any or all of them will do so.

For the Spill Resolution to be passed at this AGM, more than 50% of the votes validly cast on the Spill Resolution must be in favour of it.

In deciding how to vote on Item 9, the Board suggests that shareholders take the following factors into account:

- a) As explained at Item 2 above, the “first strike” recorded at last year’s AGM was almost entirely due to the Thai vendor of the Star Vegas business, who is currently engaged in a very substantial legal dispute with the Company. The Board believes that this does not reflect a concern over remuneration matters, since no comments have ever been received from the Thai vendor on those matters.
- b) The Board has taken decisive action to address the concerns expressed by proxy advisers on last year’s remuneration report, as outlined under item 2 above. This includes a reduction of 48% in the total remuneration paid to members of the key management personnel in financial year 2019, compared to 2018.
- c) Holding a Spill Meeting would create significant disruption and uncertainty for the Company at a critical time for the organisation when the focus should be on important operational matters, such as the ongoing improvements to the operations under the new Board and management team, and the prosecution of the Company’s legal claims against the Thai vendor. The Board considers that such disruption and uncertainty would not be in the best interests of the Company or its shareholders.
- d) The Company would incur significant additional costs if required to call and hold a Spill Meeting.

Voting exclusion statement

In accordance with the Corporations Act, no votes may be cast by, and the Company will disregard any votes cast in relation to this Item 9 by or on behalf of:

- the Chairman, other directors, or other key management personnel whose remuneration details are included in the Remuneration Report; and
- closely related parties (such as specified family members, dependants and any controlled companies) of those persons.

However, the Company need not disregard any of the above mentioned votes if:

- cast by a person as proxy for a person entitled to vote, in accordance with the directions on the Proxy Form; or
- cast by the person chairing the meeting as proxy for a person who is entitled to vote, and the Proxy Form expressly authorises the Chairman to exercise the proxy and vote as the Chairman decides even though the resolution is connected directly or indirectly with the remuneration of members of the key management personnel.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on this Resolution by marking either “For”, “Against” or “Abstain” on the Proxy Form for this Resolution.

If you appointed the Chairman as your proxy, or the Chairman becomes your proxy by default, and you have not directed your proxy how to vote in respect of Item 2, you expressly authorise the Chairman to exercise your proxy in respect of this item even though Item 2 is connected with the remuneration of a member of the key management personnel for the Company.

The Board is not proposing Items 10 to 20. The Company is required to put Items 10 to 20 to shareholders due to a request made by a requisitioning shareholder.

The Board recommends that all shareholders vote AGAINST Items 10 to 20. Each Director intends to vote all shares in the Company held or controlled by him AGAINST Items 10 to 20.

Items 10 to 20: Resolutions Proposed by the Requisitioners

Items 10 to 20 have been added to the agenda pursuant to a notice requisitioning a general meeting under section 249D of the Corporations Act 2001 (Cth) (**Corporations Act**), from shareholders holding at least 5% of the votes that may be cast at the meeting .

On 28 August 2019, the Company announced that it had received an invalid notice dated 21 August 2019, purporting to requisition a shareholder’s meeting under section 249D of the Corporations Act. The notice was signed by two individuals (the **Requisitioners**):

- (1) Mr Gerald Nicholas Tan Eng Hoe; and
- (2) Mr Tan Teck Lee Patrick.

On 21 September 2019, the Company received a second notice from the Requisitioners, also purporting to requisition a shareholder’s meeting under section 249D of the Act. The Board obtained legal advice on this matter, and having considered that advice, informed the Requisitioners that the second notice was also invalid, and therefore the Board was unable to act on it.

On 10 October 2019, the Company received a notice requisitioning a shareholder’s meeting under section 249D of the Corporations Act from On Nut Road Limited, the Company’s largest shareholder. On Nut Road Limited called the meeting in order to put forward the resolutions proposed by the Requisitioners.

Under section 249D of the Corporations Act, the Board must call and arrange to hold a general meeting on the request of Shareholders with at least 5% of the votes that may be cast at the general meeting. The Board must call the meeting within 21 days after the request is given, and the meeting must be held not later than 2 months after the relevant notice has been received.

As at the date of this Notice, based on the substantial shareholding notice released by On Nut Road Limited, On Nut Road Limited holds 19.25% of the votes that may be cast at a general meeting of the Company (as determined as at the time required by section 249D(4) of the Corporations Act). Accordingly, Items 10 to 20 have been added to the agenda for the AGM in accordance with the Company's legal obligations.

On Nut Road Limited has stated in its requisitioning notice that:

"We note that we do not support the resolutions proposed by the Requisitioners and our vote will be independent from their vote. We further note that there is no agreement, arrangement or understanding in place between On Nut Road Limited and the Requisitioners regarding the proposal to move these resolutions, the issue of a request to call a general meeting of the Company or how to vote on the resolutions. It is our view that in order to settle the matters addressed in the Invalid Notice and allow the Company to move forward with the current, stable board, which is not subject to challenge, we believe it is in the interests of the Company to put these resolutions to members."

In its notice provided on 10 October 2019, On Nut Road Limited included a list of five directors proposed by the Requisitioners in their first invalid notice dated 21 August 2019. Subsequently, on 11 October 2019, On Nut Road Limited provided a second notice, which included a list of directors proposed by the Requisitioners in their second invalid notice dated 21 September 2019. The only difference was that one change was made to the list of five proposed directors. Item 10 to 20 at this AGM reflect the resolutions requested by On Nut Road Limited in its second notice.

The second notice from On Nut Road Limited requested the Company to hold a general meeting to consider the following resolutions, as originally put forward by the Requisitioners:

- (1) To remove all of the current Directors of the Company; and
- (2) To elect the following individuals as Directors of the Company:
 - a. Mr Gerald Nicholas Tan Eng Hoe;
 - b. Mr Tan Teck Lee Patrick;
 - c. Mr Neil John Sheather;
 - d. Mr Lim Tow Chong; and
 - e. Mr Dale Klynhout.

The request from On Nut Road Limited states that the resolution to elect Mr Tan Teck Lee Patrick as a Director need only be put to the meeting if the other resolutions do not give rise to a Board comprising of 10 or more Directors (10 being the maximum number of Directors of the Company pursuant to rule 12.1 of its Constitution).

Shareholders should have regard to the rule 12.1 of the Company's Constitution in deciding how to vote on Items 10 to 20. Rule 12.1 provides that the Company must not have fewer than 3 Directors and not more than 10 Directors.

The Board invited the Requisitioners to put forward a statement about Items 10 to 20 to be included in this Notice of Meeting, including information about the nominees to the Board who have been proposed by the Requisitioners. However, as at the date of this Notice, no such statement has been provided by the Requisitioners. Therefore, the

Board is unable to provide shareholders with information about the intentions of the Requisitioners in attempting to propose the resolutions contained in Items 10 to 20.

Under the Corporations Act, each of the current Directors that the Requisitioners seek to remove was entitled to put forward a statement for circulation to shareholders. Mr David Green and Mr Kurkye Wong have provided statements, which are attached to this Explanatory Memorandum. Please note that the Company takes no responsibility for the content of these statements.

In addition to matters set out in the Message from the Board on pages 2-3, the Board notes the following matters:

- a) Mr Gerald Tan is a close friend and business associate of Mr Joey Lim.
- b) There is evidence that Mr Patrick Tan is a business associate of Somboon Sukjaroenkraisri, the Thai vendor of the Star Vegas business. In 2015, Mr Patrick Tan agreed to act as process agent for the service of documents in Singapore addressed to Somboon. That agreement cannot be terminated unless the Company's bankers give their consent. Neither Mr Patrick Tan nor Somboon have sought the consent of the Company's bankers to terminate the agreement.

Mr Patrick Tan signed the agreement under the banner of a company called Alliance Global Energy (Labuan) Limited. The Company's bankers questioned this at the time, since a process agent is normally a law firm or other professional services firm. An energy company is not generally in the business of acting as a process agent. Nevertheless, Somboon nominated Mr Patrick Tan as his process agent, and Mr Patrick Tan was (and apparently still is) willing to accept service of documents addressed to Somboon.

- c) Mr Sheather and Mr Klynhout, two of the proposed directors nominated by the Requisitioners, work for a firm called Mejority Capital Limited. This firm and its subsidiary Pinnacle Securities Pty Ltd is an intermediary custodian holding Mr Gerald Tan's shares in the Company. Accordingly, Mr Sheather and Mr Klynhout provide services to Mr Gerald Tan, and he is their client.
- d) Mr Sheather is a director of Mejority Capital Limited, which is a listed company (ASX:MJC), with a current market capitalisation (as of 21 October 2019) of approximately \$1.4 million. Mr Sheather is also a director of a listed company called XPD Soccer Gear Limited (ASX:XPD), whose shares have been suspended from trading since May 2019. Finally, Mr Sheather and Mr Klynhout are also directors of a listed company called Siburan Resources Limited (ASX:SBU). This entity has a current market capitalisation of under \$1.4 million, and its shares have been suspended from trading since February 2019, on the grounds that its operations are not adequate to warrant the continued quotation of its securities.

The Board recommends that all shareholders vote AGAINST Items 9 to 20.

End of Explanatory Memorandum

**Attached: Statement from Mr David Green
 Statement from Mr Kurkye Wong**

Statement from Mr David Green

I joined the Board of Donaco International Ltd (“DNA”) in April 2019, some 11 months after I resigned as a Director and inaugural Chairman of ASX-listed Silver Heritage Group Limited (“SVH”). In doing so, I was well aware, from ASX releases and market chatter, of many of the issues confronting DNA. Some of those arose from the largely unregulated nature of the markets within which the company’s operations are located, in particular in Cambodia, where in 2016 I had advised the Royal Cambodian government on the form and content of a new gaming law. Those should hold little fear for experienced, ethical and dedicated operators; they present opportunities for such operators to out-compete less well equipped incumbents, as has happened in Macau.

What I did not fully appreciate at the time of joining the Board was the intractable governance and legal issues which had arisen in DNA, attributable both to the acquisition of the DNA Star Vegas property in Poipet, and the complete and culpable failure of DNA management to act either in the interests of shareholders generally, or at all. I do not need to recite details; shareholders have been kept informed of the substance of these matters. The net result is that shareholder value has been effectively destroyed, not by the markets and geo-political environments in which DNA operates but from within.

In July, 2019, only 3 months ago, shareholders voted overwhelmingly to remove Joey and Ben Lim, respectively former CEO and Acting CEO, as Directors of DNA. Since that time, the Board has focused on clearing the decks of the negative overlay of the Lim legacy (the “new beginning”), and to energetically pursue compensation for breach of contract from the vendor of the DNA Star Vegas property. Management renewal began in June with the appointment of Paul Arbuckle as Chief Executive Officer. Paul is a vastly experienced gaming executive and it is, in my view, very much in the interests of all shareholders that he be retained in that role, and given the resources and delegations necessary to build a competent and motivated team, and to drive operational excellence. In turn, he must be accountable to a Board which is itself committed to serving the interests of all shareholders, and which has the talent, experience and focus to deliver on that commitment.

I have not been given the benefit of any explanation as to why my removal from the Board of DNA is sought. Shareholders should ask themselves about both the motivation and credentials of those who are proposed to replace me, and the other five directors of DNA. I do not doubt that there may be people more suited to meet the requirements and challenges of DNA than the current Board, but it is far from apparent to me that all, or indeed any of those nominated to replace the current directors are suitable appointees to the Board. The several abortive attempts by the Requisitioners to file the documents required to requisition an extraordinary general meeting of shareholders bear witness to that.

In reality, what is obvious is that the Requisitioners, in concert with others who stand to lose from the successful prosecution of the company’s new beginning strategy, wish to assume control of DNA without offering shareholders either a premium for control, or the realistic hope of enhanced enterprise value. I cannot see a scenario under which the winners from this will be other than the Requisitioners and their associates and collaborators.

I have made my living for the last 18 years in working with new and emerging gaming jurisdictions, including Macau, Singapore, Japan, and Cambodia, in each case having provided consulting support to government. I have also worked with operators in Nepal, the Philippines and Vietnam, and with advisers to government in Taiwan and Laos. Having lived in Macau for more than 14 years, I have seen what is possible, and how to make the possible at least probable through able and well-resourced management, competent, impartial and ethical governance and good corporate citizenship. DNA has much work to be done if it is to truly realise the potential inherent in its operations and the markets which it serves. Bringing down the current Board will simply ensure that potential can never be converted to actual achievement.

Statement from Mr Kurkye Wong

I was appointed to the Board of Donaco International Limited (“DNA”) in August 2019 as a representative of Argyle Street Management Limited (“ASM”), a fund manager and adviser regulated by the Securities and Futures Commission in Hong Kong and the Securities and Exchange Commission in the United States of America. On Nut Road Limited, an entity managed by ASM, acquired a relevant interest of 19.25% in the shares of DNA in June 2019 and subsequently became the largest shareholder of DNA.

ASM since its inception 17 years ago has been actively investing in special situations across Asia, including Australia. ASM has extensive experience in turning around distressed assets and companies, dealing with the uncertain legal environments in emerging markets, unlocking value for the shareholders of listed companies in addition to managing other complex investment challenges. We believe our experiences, expertise and connections in Asia will be able to help DNA overcome its current challenges and grow its business.

Since my appointment as director, I have been actively involved in reviewing the company’s legal positions, strategies and operations. The Cambodia arbitration award has no doubt been disappointing. Together with the management of DNA, I have recommended and interviewed various lawyers. We have appointed what we believe are the right lawyers to assist in the appeal process and prevent enforcement of the arbitral award.

I have also engaged in the meaningful discussions with existing shareholders and potential investors to understand their expectations for DNA. Shareholders are acutely aware that the outcome of the arbitration proceedings in Singapore is critical to DNA. The shareholders that I have talked to have agreed that it would be beneficial for a settlement with Star Vegas to be explored. Any settlement is still far from being reached and DNA should only settle on terms that are advantageous and favourable.

I have spent every waking moment thinking of how to make DNA better, believing that DNA will be able to emerge past the current challenges to prosper well. We have hammered out solutions and plans for DNA through constructive and intense discussions at the senior management and board level. I have confidence that the current board has DNA’s best interest at heart.

As can be seen from DNA’s public announcement, Gerald Tan and Patrick Tan are attempting to remove and take control of the entire board. No matter what the motives of those requisitioning the meeting are, ASM, as the largest shareholder of DNA, will not support such an attempt to seize control. At this juncture, we believe that a stable board with members who are committed to acting in the best interest of DNA and its shareholders is of utmost importance.

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