



EUMUNDI GROUP

# Eumundi Group Limited ACN 010 947 476

## Rights Issue Offer Document

Pursuant to Section 708AA of the *Corporations Act 2001* (Cth)

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A non-renounceable rights issue to existing shareholders of Eumundi Group Limited of 70,974,845 New Shares at an issue price of 3.5 cents each on the basis of 1 New Share for every 1 Share held to raise up to approximately \$2,484,120 before costs of the Offer.

The Offer is fully underwritten by Taylor Collison Limited

### Important notice

This Offer Document is not a prospectus. It does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this Offer Document. The New Shares offered by this Offer Document should be considered speculative.

This Offer Document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

Underwriter



**TAYLOR COLLISON**

Sharebrokers and Investment Advisers  
[www.taylorcollison.com.au](http://www.taylorcollison.com.au)

Legal Adviser



**HopgoodGanim**

LAWYERS

# Contents

1.	Offer details .....	4
2.	The Company and its operations .....	11
3.	Control issues arising from the Offer .....	13
4.	Risk factors.....	16
5.	Material Contracts .....	20
6.	Additional information.....	26
7.	Definitions and glossary .....	28

## Key dates for investors

Record Date for determining entitlements under the Offer: .....	15 October 2010
Despatch of Offer Document: .....	20 October 2010
Offer opens: .....	20 October 2010
Offer close: .....	16 November 2010
Allotment of New Shares: .....	24 November 2010
Trading Commences for New Shares on ASX: .....	25 November 2010
Despatch of New Share holding statements: .....	26 November 2010

All dates are subject to change and accordingly are indicative only. In particular, the Company, in consultation with the Underwriter, has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible.

## Offer statistics

Number of New Shares to be issued: .....	70,974,845
Offer Price: .....	3.5 cents

## How to accept your Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Offer Document in accordance with the instructions set out in this Offer Document and on the Entitlement and Acceptance Form.

This Offer Document is available in electronic form on the Internet at [www.eumundi-ltd.com.au](http://www.eumundi-ltd.com.au). If you wish to obtain a free copy of this Offer Document or a replacement personalised Entitlement and Acceptance form, please contact the Company's Share Registry on (within Australia) 1300 615 214 or (outside Australia) +61 9415 4681.

## Important notice

The Offer made pursuant to this Offer Document is for a non-renounceable rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company. This Offer Document is not a disclosure document for the purposes of Chapter 6D of the *Corporations Act*. The Company is offering the securities under this Offer Document without disclosure to investors under Chapter 6D of the *Corporations Act* pursuant to section 708AA of the *Corporations Act*. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus. Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 7 October 2010 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set out in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of Chapter 2M of the *Corporations Act*, as they apply to the Company; and
- section 674 of the *Corporations Act*.

### **No excluded information**

As at the date of this Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to sections 708AA (8) and (9) of the *Corporations Act* other than as set out in section 2.5 of this Offer Document.

### **Foreign Shareholders**

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which the Company's Shareholders may reside. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Application.

The Company has decided that it is unreasonable to make the Offer to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand.

Veritas Securities has been appointed as Nominee to deal with the Entitlements of the Company's Foreign Shareholders. Further details in this regard are set out in section 1.18.

### **Other Information**

Please read this Offer Document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in Section 4.

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the Definitions and Glossary section of this Offer Document.

Money as expressed in this Offer Document is in Australian dollars or else as indicated.

## Chairman's letter

7 October 2010

Dear Shareholder,

On behalf of the Directors I am pleased to invite you to take up your entitlement to new ordinary fully paid shares (**New Shares**) in Eumundi Group Limited (the **Offer**).

The Company is making a non-renounceable rights issue of one (1) Eumundi Group Limited New Share at 3.5 cents per share for every one (1) Share held in Eumundi Group Limited, to raise up to approximately \$2,484,120. Eligible Shareholders may also apply for additional New Shares in excess of their Entitlement (**Additional Shares**) at the same price in the event that there is a shortfall of acceptances of New Shares.

The Offer is fully underwritten by Taylor Collison Limited stockbrokers with entities associated with myself and fellow director Gilbert De Luca participating as partial sub-underwriters.

It is proposed that the funds raised from the Offer will be applied to reduce existing debt, to develop and improve the Company's property investments, to fund general working capital requirements (including investigating and facilitating any future opportunities that may arise) and to pay for the costs of the Offer.

The Directors intend to take up their Entitlements to New Shares.

Pursuant to section 708AA of the *Corporations Act*, the Company is not required to prepare a disclosure document for the Offer, but instead will issue to all Eligible Shareholders this Offer Document which contains a summary of the key information with respect to the Offer. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

A personalised Entitlement and Acceptance Form is also attached to this Offer Document. If you are eligible and you wish to accept your Entitlement pursuant to the Offer, you will need to complete the Entitlement and Acceptance Form and return it together with the appropriate Application Money to the Company's share registry before 5.00pm (Brisbane time) on the closing date of 16 November 2010.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



Mr Joseph Ganim  
Chairman  
Eumundi Group Limited

## 1. Offer details

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### 1.1 The Offer

This Offer Document is for the non-renounceable rights issue of approximately 70,974,845 New Shares at an issue price of three and one half cents (\$0.035) per New Share (**Offer Price**), on the basis of one (1) New Share for every one (1) Share held by Eligible Shareholders as at the Record Date.

### 1.2 Minimum subscription

There is no minimum subscription to the Offer.

### 1.3 New Share terms

On issue, each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares (including the New Shares) are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### 1.4 Acceptance of entitlement to New Shares

The number of New Shares to which each Eligible Shareholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Shareholders who are entitled to and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

### 1.5 Additional Shares

Each Eligible Shareholder may apply for additional New Shares, in addition to their Entitlement, at an issue price of three and one half cents (\$0.035) per New Share (**Additional Shares**). In the event that there is a Shortfall in Applications under the Offer, the Company, subject to the terms of the Underwriting Agreement, reserves the right to allocate any Shortfall of New Shares to subscribers for Additional Shares at its sole and absolute discretion, subject to the terms of the Underwriting Agreement. There is no guarantee that Eligible Shareholders will be successful in being allocated any of the Additional Shares they may apply for. The Company may reject any application for Additional Shares or allocate fewer New Shares than applied for by subscribers for Additional Shares.

The ability of the Company to issue Additional Shares is dependant upon the extent of any Shortfall to the Offer and the terms of the Underwriting Agreement. Applications for Additional Shares must be made in the Additional Shares section on the Entitlement and Acceptance Form accompanying this Offer Document.

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Offer Document, the Directors reserve the right to issue any Shortfall at their discretion subject to the terms of the Underwriting Agreement.

### 1.6 Purpose of the Offer

The purpose of the Offer is to raise additional equity funding for the Company to:

- reduce existing debt;
- develop and improve its property investments;

- meet general working capital requirements, including, to assist in investigating and facilitating any future opportunities that may arise; and
- pay for the costs of the Offer.

The Company intends to allocate the funds raised from the Offer as set out below.

<b>Proposed use of funds</b>	
Costs of issue	\$200,000
Debt Reduction <ul style="list-style-type: none"> <li>• NAB Debt reduction of \$1,300,000 (see section 5.3 for further details)</li> </ul>	\$1,300,000
Capital Improvements <ul style="list-style-type: none"> <li>• Capital improvements to Ashmore Tavern (including the construction of a covered verandah, adjoining and to compliment the newly renovated sports bar)</li> <li>• General capital improvements and repairs and maintenance to other properties</li> </ul>	\$800,000
Working capital <ul style="list-style-type: none"> <li>• General working capital</li> <li>• Investigation and facilitating future opportunities</li> </ul>	\$184,120
<b>Total</b>	<b>\$2,484,120</b>

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders.

#### 1.7 The Company's Share price on ASX

The last sale price of Shares on ASX on 29 September 2010 (being the last sale before the date of the announcement of the Offer on 7 October 2010) was 4.8 cents.

The highest and lowest market sale prices of Shares on ASX during the 3 months immediately preceding 7 October 2010 were:

- Highest – 4.9 cents on 15 July 2010
- Lowest – 4.4 cents on 2 August 2010, 9 August 2010, 12 August 2010 and 9 September 2010.

#### 1.8 Director's Intentions in respect of Entitlements

Each of Joseph Ganim, Gilbert De Luca and Mark Peacock has either a direct and/or indirect interest in Shares. Set out below is a table summarising the Entitlement of these Directors and their associates and how they intend to treat their Entitlement.

Vernon Wills does not have any interest in Shares.

<b>Director</b>	<b>Shares</b>	<b>Entitlement</b>	<b>Intentions</b>
Joseph Ganim	14,893,935	14,893,935	Intends to take up Entitlement in full
Gilbert DeLuca	8,377,011	8,377,011	Intends to take up Entitlement in full
Mark Peacock	592,419	592,419	Intends to take up Entitlement in full

## 1.9 Important dates

<b>Announcement and application for Official Quotation of New Shares</b>	7 October 2010
<b>Ex Date for Entitlements</b>	11 October 2010
<b>Record Date for the Offer</b>	15 October 2010 7.00pm (Brisbane time)
<b>Section 708AA notice given to ASX</b>	19 October 2010
<b>Despatch of Offer Document and Entitlement and Acceptance Form</b>	20 October 2010
<b>Opening Date of Offer</b>	20 October 2010 at 9.00am (Brisbane time)
<b>Closing Date of Offer</b>	16 November 2010 at 5.00pm (Brisbane time)
<b>Allotment of New Shares</b>	24 November 2010
<b>Trading Commences for New Shares on ASX</b>	25 November 2010
<b>Despatch of New Share holding statements</b>	26 November 2010

The dates set out in this table are subject to change and are indicative only. The Company, in consultation with the Underwriter, reserves the right to alter this timetable at any time, subject to the *Corporations Act* and the Listing Rules, without notice. The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- withdraw the Offer without prior notice; or
- vary any of the important dates set out in this Offer, including extending the Offer.

## 1.10 How to accept your entitlement

The number of New Shares to which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

As an Eligible Shareholder, you may:

- take up your Entitlement in full;
- take up your Entitlement in full and apply for Additional Shares;
- up part of your Entitlement and allow the balance to lapse;
- do nothing and allow your Entitlement to lapse.

### **Taking up your Entitlement in full**

If you wish to take up all of your Entitlement complete the accompanying Entitlement and Acceptance Form for New Shares in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form together with your cheque or bank draft in Australian currency drawn on and payable at an Australian bank and made payable to "Eumundi Group - Rights Issue A/C" and crossed "Not negotiable" for the amount shown on the form using the envelope provided to reach the Company's Share Registry, Computershare Investor Services Pty Limited, no later than 5.00pm (Brisbane time) on 16 November 2010 at the address set out below:

Eumundi Group Limited Entitlement Offer  
c/- Computershare Investor Services Pty Limited  
GPO BOX 505  
MELBOURNE VIC 3001

Eligible Shareholders may submit payments for New Shares applied for using Bpay. In order to use BPay, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPay, you do not need to return your Entitlement and Acceptance Form.

### **Taking up your Entitlement in full and applying for Additional Shares**

If you wish to take up all of your Entitlement and also apply for Additional Shares, complete the accompanying Entitlement and Acceptance Form for New Shares and the Additional Shares section in accordance with the instructions set out in the form. In order to apply for Additional Shares you must be an Eligible Shareholder and must have first taken up your Entitlement in full.

Forward your completed Entitlement and Acceptance Form together with your cheque or bank draft in Australian currency drawn on and payable at an Australian bank and made payable to "Eumundi Group - Rights Issue A/C" and crossed "Not negotiable" for the amount shown on the form using the envelope provided to reach the Company's Share Registry, Computershare Investor Services Pty Limited, no later than 5.00pm (Brisbane time) on 16 November 2010 at the address set out below:

Eumundi Group Limited Entitlement Offer  
c/- Computershare Investor Services Pty Limited  
GPO BOX 505  
MELBOURNE VIC 3001

Eligible Shareholders may submit payments for New Shares applied for using BPay. In order to use BPay, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPay, you do not need to return your Entitlement and Acceptance Form.

### **Taking up part of your Entitlement in and allowing the balance to lapse**

If you wish to take up part of your Entitlement complete the accompanying Entitlement and Acceptance Form for New Shares in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form together with your cheque or bank draft in Australian currency drawn on and payable at an Australian bank and made payable to "Eumundi Group - Rights Issue A/C" and crossed "Not negotiable" for the amount shown on the form using the envelope provided to reach the Company's Share Registry, Computershare Investor Services Pty Limited, no later than 5.00pm (Brisbane time) on 16 November 2010 at the address set out below:

Eumundi Group Limited Entitlement Offer  
c/- Computershare Investor Services Pty Limited  
GPO BOX 505  
MELBOURNE VIC 3001



Eligible Shareholders may submit payments for New Shares applied for using Bpay. In order to use BPay, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPay, you do not need to return your Entitlement and Acceptance Form.

To the extent you do not take up your Entitlement in full and part of your Entitlement to lapse you will not receive the full benefit of the Offer. It is therefore important that you consider taking up your Entitlement in accordance with the above instructions and the instructions on the back of the Entitlement and Acceptance Form. If after reading this Offer Document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

### **Doing nothing and allowing your Entitlement to lapse**

You will receive no benefit if you do not take up your Entitlement and allow it to lapse. It is therefore important that you consider taking action to take up your Entitlement in accordance with the above instructions and the instructions on the back of the Entitlement and Acceptance Form. If after reading this Offer Document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

If you are paying by Bpay and have multiple holdings, you will have multiple BPay reference numbers. To ensure you receive your Entitlement in respect of that holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPay. It is your responsibility to check that the amount you wish to pay via BPay does not exceed your limit.

If the amount of payment is insufficient to pay in full for the number of New Shares you applied for, or is more than the number of New Shares you applied for, you will be taken to have applied for such whole number of New Shares which is covered in full by your payment, to the extent that this does not exceed your Entitlement. Alternatively, the Company may in its discretion reject your Application, in which case any payment will be refunded to you after the allotment date without interest.

Completed Entitlement and Acceptance Forms and accompanying cheques should be returned in the reply paid envelope enclosed for shareholders in Australia. New Zealand shareholders will need to affix the appropriate postage.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their Applications for New Shares under this Offer Document. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Your Application Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on your Application Money will be retained by the Company irrespective of whether allotment takes place.

#### **1.11 Allotment and allocation policy**

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for Official Quotation of the New Shares.

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Offer Document, subject to the Underwriting Agreement, the Directors reserve the right to issue any Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

#### 1.12 **ASX listing**

The Company applied to ASX for the listing and Official Quotation of the New Shares on the ASX on 7 October 2010. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants.

#### 1.13 **Investment risks**

Investors should carefully read the section on Risk Factors outlined in Section 4. An investment of this kind involves a number of risks, several of which are specific to the Company and the industry in which it operates.

#### 1.14 **CHESS**

The Company will apply for the New Shares to participate in CHESS, in accordance with the Listing Rules and ASX Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

#### 1.15 **No rights trading**

Entitlements to New Shares pursuant to the Offer are non-renounceable and accordingly will not be traded on ASX.

#### 1.16 **Underwriting**

The Offer is fully underwritten by Taylor Collison Limited. Each of the Sub-underwriters has entered a sub-underwriting agreement with Taylor Collison Limited to participate as a partial sub-underwriter together sub-underwriting a total of 47,316,563 New Shares (being a total amount of \$1,656,080). Details of the Underwriting Agreement and the Sub-underwriting Agreements are set out in Sections 5.1 and 5.2 of this Offer Document.

#### 1.17 **Options**

The Company does not currently have any options to subscribe for Shares on issue.

#### 1.18 **Overseas shareholders**

The Company has not made investigations as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which the Company's Shareholders reside.

This Offer Document and accompanying Entitlement and Acceptance Forms do not, and are not intended to, constitute an offer of New Shares in any place outside Australia or New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form. The distribution of this Offer Document and the accompanying Entitlement and Acceptance Form in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the

accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under the Offer to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand.

The Company has appointed Veritas Securities Limited to act as nominee for the purposes of section 615 of the Corporations Act. Accordingly, the Company must issue to the nominee the New Shares that would otherwise be issued to Eligible Shareholders having a registered address outside of Australia or New Zealand who accept the Offer.

The nominee must sell such New Shares at a price and otherwise in a manner determined by the nominee in its sole discretion. Neither the Company nor Veritas Securities Limited, as nominee, will be held liable for the sale of any such New Shares at any particular price or the timing of such sale. The proceeds of sale will be distributed to those Shareholders for whose benefit the New Shares are sold in proportion to the total number of New Shares which all Foreign Shareholder accept the Offer for (after deducting costs).

#### 1.19 **Electronic Offer Document**

An electronic version of this Offer Document is available on the Internet at [www.eumundi-ltd.com.au](http://www.eumundi-ltd.com.au).

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Offer Document. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the Eligible Shareholder has not received a complete paper copy or electronic copy of the Offer Document or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Offer Document has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that during the Offer period the electronic version of the Offer Document will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Offer Document should immediately request a paper copy of the Offer Document directly from the Company or the Share Registry.

## **2. The Company and its operations**

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Since initially listing on the ASX, Eumundi has developed to now focus on hotel operations and property investment with a portfolio of property with development and/or refurbishment potential throughout South East Queensland.

Eumundi's assets are currently comprised of two shopping centres, a tavern with associated retail liquor outlets, an investment property and a boutique commercial and retail management business.

Set out below is an overview of the Company and its main assets and business operations.

### **2.1 Hotel Operations**

The Company's main hotel operation is the Ashmore Tavern business which is located on the Gold Coast.

The Ashmore Tavern was acquired by the Company in 1997 and since its acquisition has proved a strong source of revenue for the Company.

The Ashmore Tavern business is one of the largest individual independent retail outlets through its "Quench" brand on the Gold Coast.

The Tavern has recently undergone refurbishments of its sports bar, TAB facilities and gaming room. Further refurbishment and expansion of outdoor areas is planned using part of the proceeds of the Offer.

### **2.2 Investment Properties**

#### **(a) Aspley Shopping Centres**

The Aspley Shopping Centres, with combined floorspace of 15,158m<sup>2</sup>, are located in the northern Brisbane suburbs and provide solid retail income for the Company.

The Directors believe that there is significant development potential associated with the Aspley Centres. While there is no current intention to develop this area at this stage, this may be an opportunity in the future or may assist the Company in realising this asset at some stage.

#### **(b) Bribie Harbour Shopping Village**

Bribie Harbour Shopping Village is the second largest shopping centre on Bribie Island. The Village has 4,508 m<sup>2</sup> of net lettable area with the anchor tenant being Cornett's IGA.

Bribie Island is a growing regional area and the Directors are confident of the long term potential of the Village.

#### **(c) Home Hill**

The Home Hill property is located 100 kilometres inland from Townsville and consists of 2,226 m<sup>2</sup> of land of which, 1,012 m<sup>2</sup> remains undeveloped. The sole tenant is Farry's IGA, a well known business in the area. Whilst there are no immediate plans to further develop or redevelop the Home Hill site, the Company will consider opportunities to redevelop the site and will assess these as and when they arise.

### 2.3 PJA Management

PJA is the Company's boutique commercial and retail property management business. It is currently tendering for work throughout Brisbane city metropolitan area, north to the Sunshine Coast, south to the Gold Coast and west to Toowoomba. PJA has in excess of 40 commercial, retail and industrial properties under management.

### 2.4 Future Activities

The Company has to date, and continues to, seek to identify and review opportunities and maximising shareholder value. It remains the Directors' intention to source and secure appropriate opportunities aimed at enhancing shareholder value.

### 2.5 Excluded Information

The Company is required to set out in the notice required by section 708AA(2)(f) of the Corporations Act any information that is "excluded information" as at the date of the notice, but only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in a disclosure document. The Company will issue the notice required by section 708AA(2)(f) of the Corporations Act within the 24 hour period prior to making the Offer to Shareholders.

"Excluded information" for this purpose is information that has been excluded from a continuous disclosure notice in accordance with the market operator's listing rules and that is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the body, or the rights and liabilities attaching to the relevant securities.

The following information has not previously been disclosed to the market as the Company has not had an obligation to do so pursuant to Listing Rule 3.1A, however, this information is now being disclosed as required by section 708AA of the Corporations Act.

The Company has previously and is currently considering the potential sale of PJA. The Company has previously participated in discussions with third parties regarding this potential sale and is currently in discussions with a party in this regard. However, as at the date of this Offer Document no binding agreement or understanding has been reached with any third party respect to the sale of all or part of PJA. Whilst there is currently a third party interested in acquiring PJA, no binding arrangements have as yet been reached and there is no guarantee that any transaction with respect to the sale of PJA (or any part of PJA) will proceed. The Company will continue to keep the market up to date with respect to progress of the possible sale of PJA in accordance with its obligations under the Corporations Act and the Listing Rules.

The Company received on 10 September 2010 a highly conditional, confidential, non binding, preliminary, indicative proposal by a third party to acquire 100% of the Company's share capital, at below the asset value of the Company's Shares, but above the Offer Price (Indicative Proposal). Based on the terms of the Indicative Proposal, the Board, responded on 13 September 2010, advising that it was unacceptable. No further proposal has been received despite several follow ups. Whilst there has been a third party interested in acquiring the Company's shares, there is no guarantee that any offer will be made by any third party to acquire all or part of the Company's share capital. The Company will continue to keep the market up to date in accordance with its obligations under the Corporations Act and the Listing Rules.

The Company continues to monitor, and seeks to identify, opportunities with respect to its assets which may enhance Shareholder value. In this regard, the Company from time to time receives enquiries and engages in discussions with third parties regarding its portfolio of assets and will continue to do so and will keep the market up to date with respect to such enquiries or discussions in accordance with its obligations under the Corporations Act and the Listing Rules.

### 3. Control issues arising from the Offer

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#### 3.1 Present position

At the date of this Offer Document the Company is of the view that there is no one entity which controls the Company.

The top 20 shareholders of the Company as at 4 October 2010 are as follows:

Name	Shares	%
De Luca Group Superannuation Fund – De Luca Group Super Fund	7,986,311	11.25
Ganbros Pty Ltd	4,968,855	7.00
Ganboys Pty Ltd	4,730,190	6.66
Gansons Pty Ltd	3,868,490	5.45
Jalsea Pty Ltd	3,308,914	4.66
Philips Consolidated Pty Ltd ATF Philips Family Superannuation Fund	2,169,938	3.06
Archer Management Pty Ltd ATF Archer Super Fund	1,749,304	2.46
Mrs Tracey Fraser	1,463,045	2.06
RBC Dexia Investor Services Australia Nominees Pty Ltd	1,430,000	2.01
Mr Joseph Michael Ganim	1,326,400	1.87
Chriswell Pty Ltd ATF Christine Weller Family Account	1,107,681	1.56
Dreamtouch Pty Ltd AFT Brian Weller Family Account	1,107,681	1.56
Nipruma Pty Ltd ATF Kim Weller Family Account	1,107,681	1.56
Atkins Steelcraft Pty Ltd	1,011,000	1.42
Natpac Financial Services Pty Ltd AFT Robert Blann Superfund	936,415	1.32
Hatfree Pty Ltd ATF Freeman Super Fund	917,500	1.29
Mr Michael. Punch	912,225	1.29
Adisha Holdings Pty Ltd	750,000	1.06
Atkone Pty Ltd	750,000	1.06
Ruminator Pty Ltd	750,000	1.06
<b>Total:</b>	<b>42,351,630</b>	<b>59.67</b>

However, following the close of the Offer as a result of the dispersion strategy of any Shortfall, the shareholding of certain shareholders could alter to the extent that they have a Relevant Interest in the Company that is 20% or more.

The table below illustrates the possible effects of the Offer on the Relevant Interests of two of the Company's major Shareholders in the Shares. These Shareholders (and entities associated with them) have entered Sub-underwriting Agreements to sub-underwrite a total amount of \$1,656,080 of the Offer representing a maximum of 47,316,563 New Shares). Further details of the Sub-underwriting Agreements are set out in Section 5.2 of this Offer Document.

Shareholder	Current Holding		Post Offer Holding assuming full entitlement taken up by all holders (and no subscription by Underwriter or Sub-underwriters required) <sup>3</sup>		Maximum Post Offer Holding assuming no holders take up their entitlements and Underwriter and Sub-underwriters subscribe for maximum amounts <sup>4</sup>	
	No.	%	No.	%	No.	%
Joseph Ganim & associated entities <sup>1</sup>	14,893,935	20.98	29,787,870	20.98	44,213,642	31.15
De Luca Group Superannuation <sup>2</sup>	8,377,011	11.80	16,754,022	11.80	25,234,929	17.78

Notes:

1 Includes Shares held by Ganbros Pty Ltd, Ganboys Pty Ltd and Gansons Pty Ltd being entities in which Joseph Ganim has a Relevant Interest.

2 Includes Shares held by De Luca Group Superannuation Fund #3 and De Luca Group Superannuation Fund #5, being entities in which Gilbert De Luca has a Relevant interest.

3 Assumes all Shareholders (including the Sub-underwriters) take up their full Entitlements and the Underwriter and Sub-underwriters are not required to subscribe for any New Shares pursuant to the Underwriting Agreement or the Sub-underwriting Agreements.

4 Assumes no Shareholders take up their Entitlements and the Underwriter and Sub-underwriters are required to subscribe for all of the New Shares pursuant to the Underwriting Agreement and the Sub-underwriting Agreements.

### 3.2 Capital structure

Assuming full subscription under the Offer, the share capital structure of the Company immediately following the Offer assuming the Offer is fully subscribed will be as follows:

	Shares
Ordinary Shares on issue at the date of the Offer Document	70,974,845
Maximum number of New Shares under the Offer Document	70,974,845
Total	141,949,690

As at the date of this Offer Document, the Company has no options to subscribe for Shares on issue.

### 3.3 Potential effect of the Offer

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, the proportional shareholdings of Shareholders who are not resident in Australia or New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer.

Additionally, if an Eligible Shareholder does not take up their Entitlement in full, there may be a dilutionary effect on that Shareholder's proportional shareholding.

In the event of a Shortfall, the Directors of the Company reserve the right to place the Shortfall at their sole and absolute discretion, subject to the terms of the Underwriting Agreement.

The Offer is being underwritten by Taylor Collison Limited and partially sub-underwritten by the Sub-underwriters. If any of the Sub-underwriters are required to subscribe for New Shares under their sub-underwriting, it will impact on their shareholding in the Company. Further details on the effect that the Underwriting and Sub-underwriting arrangements may have on the control of the Company are set out in section 3.1.



## **4. Risk factors**

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### **4.1 Introduction**

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks, however, some are outside its control. The principal risk factors are described below.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Offer Document before you decide whether to accept New Shares.

The New Shares offered by this Offer Document should be considered speculative.

### **4.2 Nature of investment**

Any potential investor should be aware that subscribing for New Shares involves risks. The New Shares to be issued pursuant to this Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares. An Applicant may not be able to recoup his or her initial investment in the New Shares. More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the Offer Price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares;
- (c) the Company is placed in administration, receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (d) the Company is not in a position to pay dividends.

### **4.3 Stock market**

The New Shares may trade on the ASX at higher or lower prices than the Offer Price following Official Quotation. Investors who decide to sell their New Shares after Official Quotation may not receive the entire amount of their original investment.

The Shares of the Company are currently listed on ASX. However, there can be no guarantee that there is or will be an active market in the Shares or that the price of the New Shares will increase.

The price at which the New Shares trade on ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

### **4.4 Economic factors**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in one or any number of the above factors may have a material adverse impact on the Company's business and financial performance or the market price of its securities.

#### **4.5 Management actions**

The Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and the market price its securities.

#### **4.6 Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the investment and expenditure proposals of the Company may be adversely affected.

#### **4.7 Additional capital requirements**

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

#### **4.8 Regulatory risk and Government policy**

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse affect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities. In particular, any changes to legislation or policy in respect of gaming or retail liquor sales may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

#### **4.9 Competition risk**

The property industry in Australia is competitive. In addition to current competition, the Company is likely to confront strong competition from other companies and funds, some of which are not current competitors but which may enter the market in the near term. Some of these may be large companies or funds with significantly more technical, financial and marketing resources than the Company. The current competitors and any new entrants could pose a threat to the Company's ability to reach its financial goals.

#### **4.10 Acquisition, integration and expansion risk**

It is the Company's intention to grow the business through organic growth and strategic acquisitions. There is no guarantee that the Company will be successful in expanding its business either organically or by way of acquisition.

The Company may consider further acquisitions of assets that fit within the planned business model. There is a risk that appropriate acquisition opportunities or alliances may not be available or that the target entities may not enter into dealings with the Company. There is no guarantee that future potential acquisitions will be available on favourable terms or that they will be integrated successfully.

Factors such as a downturn in the national or international economy can impact on the Company's expansion strategy and performance and the market price of its securities.

#### **4.11 Insurance arrangements**

The Company maintains insurance within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, no assurance can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

#### **4.12 Operational risks and costs**

The Company's current business is exposed to operational risks present in the current business including risks arising from system failure, failure of security and physical protection systems, customer services, staff skills and performance, and property maintenance. Operational risk has the potential to have a material adverse effect on the Company's financial performance and position and reputation as well as the price of its securities. The Company will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks, however, certain residual risk will remain with the Company. Additionally, if any of the Company's properties are subject to vacant tenancies, this will impact the Company's revenue and may have an adverse effect on the performance of the Company and the value of its securities.

#### **4.13 Business risks**

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any and all of which could adversely impact on the success of the Company's operations and the market price of its securities.

#### **4.14 Contractual risk**

The Company's ability to efficiently conduct its operations in a number of respects depends upon third party product and service providers and contracts have, in some circumstances, been entered into by the Company and its subsidiaries in this regard. As in any contractual relationship the ability for the Company to ultimately receive benefits from these contracts is dependent upon the relevant third party complying with its contractual obligations. To the extent that any such third party defaults in its obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

#### **4.15 Financing arrangements**

The Company has entered into loan agreements with financiers which provide ongoing finance to the Company. These loan agreements have a number of ongoing covenants which must be met by the Company. If at any time, the Company is unable to satisfy the covenants in the loan agreements the financiers may enforce their rights under the loan agreements. If such action were undertaken by the financiers it may adversely affect the financial position of the Company and the Company's ability to continue as a going concern.

Further, the Company has entered into arrangements with its present financier to extend the repayment date for a number of its finance facilities. These arrangements are subject to certain conditions being satisfied. In the event that any of the conditions are not satisfied, the facilities may not be extended and this may have an adverse impact on the Company and the price of its securities.

#### **4.16 Fluctuations in the fair market value of Eumundi's properties as a result of revaluations**

The Company's properties must be independently revalued on a two year rolling basis. Any increase or decrease in the value of its properties is recorded in the Company's annual accounts and report. As a result of the revaluations the value of the Company's properties may fluctuate over time. The revaluations can also have a significant effect on the Company's non-cash revenue gains and losses depending on the change in fair market value of its properties from period to period and whether or not such properties are sold. Additionally, any softening of property values generally may have an adverse effect on the values of the Company's properties.

If a substantial decrease in the fair market value of the Company's properties were to occur the Company's future operations and the market price of its securities could be adversely affected.

#### 4.17 **Other risks**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company's securities. The above factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of its securities, including the New Shares.

## 5. Material Contracts

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A summary of the material contracts to which the Company is a party relevant to the offer and not otherwise disclosed to ASX is set out below:

### 5.1 Underwriting Agreement

Eumundi has entered into an Underwriting Agreement with Taylor Collison Limited (**the Underwriter**) on 7 October 2010 to underwrite the Offer in full

Set out below is a summary of the material terms of the Underwriting Agreement.

The Underwriter will be paid by the Company an underwriting fee of 4% of the underwritten amount.

The Company has agreed to indemnify the Underwriter in respect of all costs of and incidental to the Offer, and indemnify the Underwriter and its related parties against all liabilities, losses, damages, costs or expenses arising out of the Offer Document and associated documents to the Offer or the Offer.

The Underwriting Agreement provides that the Underwriter may terminate its obligations to underwrite the Offer upon the happening of the following:

- (a) any of the following occur:
- (1) **lodgement of the Offer Document:** the Company fails to lodge the Offer Document with ASX on the date specified in the Underwriting Agreement except where the sole reason for failing to lodge is an act or omission of the Underwriter;
  - (2) **quotation approval:** approval for Official Quotation is refused or not granted, other than subject to standard conditions customarily imposed, or any other conditions accepted in writing by the Underwriter by the date specified in the Underwriting Agreement or if approval is granted, such approval is subsequently withdrawn qualified or withheld before completion;
  - (3) **ASX:**
    - (A) announces or makes a statement to any person that the Company will be removed from the official list of ASX or Shares will be suspended from quotation, other than by an announcement by ASX of a trading halt or a voluntary suspension requested by the Company for the purposes of the Offer;
    - (B) removes the Company from the official list;
    - (C) ceases to quote the Shares on ASX;
  - (4) **adverse change:** any material adverse change occurs in the assets, liabilities, share capital, share structure, financial position or performance, profits, losses or prospects of the Company and the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company) from those respectively disclosed in the Accounts, Offer Document or the public information, including:
    - (A) any material adverse change in the reported earnings or future prospects of the Company or an entity in the Group;
    - (B) any material adverse change in the nature of the business conducted by the Company or an entity in the Group; or

- (C) the insolvency or voluntary winding up of the Company or an entity in the Group or the appointment of any receiver, receiver and manager, liquidator or other external administrator; or
  - (D) any material adverse change to the rights and benefits attaching to in Shares; or
  - (E) any change that may have a material adverse effect.
- (5) **withdrawal:** the Company withdraws the Offer Document or terminates the Offer;
  - (6) **repayment:** any circumstance arises after lodgement of the Offer Document that results in the Company either repaying the money received from Applicants (other than to Applicants whose applications were not accepted in whole or in part) or offering Applicants an opportunity to withdraw their applications for Offer Shares and be repaid their Application Money; or
  - (7) **no certificate:** the Company does not provide a closing certificate in the manner required by the Underwriting Agreement;
  - (8) **capital structure:** other than as contemplated by the Offer Document, the Company or any Related Body Corporate of the Company takes any steps to alter its capital structure without the prior written consent of the Underwriter;
  - (9) **judgment:** a judgment in an amount exceeding \$100,000 is obtained against the Company or a Related Body Corporate of the Company and is not set aside or satisfied within 21 days;
  - (10) **process:** any distress, attachment, execution or other process of a Governmental Agency in an amount exceeding \$100,000 is issued against, levied or enforced upon any of the assets of the Company or a Related Body Corporate of the Company and is not set aside or satisfied within 21 days;
  - (11) **financial assistance:** the Company or a Related Body Corporate passes or takes any steps to pass a resolution under section 260B of the *Corporations Act*, without the prior written consent of the Underwriter;
  - (12) **suspends payment:** the Company or a Related Body Corporate of the Company suspends payment of its debts generally;
  - (13) **insolvency:** the Company or a Related Body Corporate of the Company is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the *Corporations Act*) or is presumed to be insolvent under the *Corporations Act*;
  - (14) **arrangements:** the Company or a Related Body Corporate of the Company enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;
  - (15) **ceasing business:** other than as contemplated by the Offer Document, the Company or a Related Body Corporate of the Company ceases or threatens to cease to carry on business;
- (b) any of the following occurs:
    - (1) **disclosures in the Offer Document:** a statement contained in the Offer Document is materially misleading or deceptive, or a matter required by the *Corporations Act* is omitted from the Offer Document (having regard to section 708AA *Corporations Act*);

- (2) **market conditions:** any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or in the international financial markets or any material adverse change occurs in national or international political, financial or economic conditions, in each case the effect of which is that, in the reasonable opinion of the Underwriter reached in good faith after consultation with the Company, it is impracticable to market the Offer or to enforce contracts to issue, allot or transfer the Shares or that the success of the Offer is likely to be adversely affected;
- (3) **supplementary Offer Document:** the Company lodges a supplementary offer document without the consent of the Underwriter or fails to lodge a supplementary offer document in a form acceptable to the Underwriter in circumstances where the Underwriter reasonably believes that the Company is prohibited by the *Corporations Act* from offering Shares under the Offer Document;
- (4) **disclosures in Due Diligence Report:** any information supplied by or on behalf of the Company to the Underwriter in relation to the Group or the Offer as part of the due diligence process or becomes materially misleading or deceptive;
- (5) **material contracts:** termination (other than those that terminate due to the effluxion of time) or a material amendment of any material contract of the Company in both cases which have a material adverse effect on the Company;
- (6) **ASX quotation:** if reasonable grounds exist for the Underwriter to believe that any ASX conditions affecting ASX in giving final approval for Official Quotation of the underwritten Shares will not be completed, fulfilled or waived by ASX so as to result in the underwritten Shares being not granted Official Quotation by the date specified in the Underwriting Agreement.
- (7) **general trading suspensions:** trading in securities generally has been suspended or materially limited, for at least one trading day, by any of the New York Stock Exchange, the London Stock Exchange or the ASX;
- (8) **change in management:** a change in the board of Directors of the Company occurs;
- (9) **legal proceedings and offence by Directors:** any of the following occurs:
  - (A) material legal proceedings are commenced against the Company; or
  - (B) any Director is disqualified from managing a corporation under section 206A *Corporations Act*; or
- (10) **change to Constitution:** other than as contemplated by the Offer Document, prior to allotment of the New Shares, a change to the constitution of the Company or the Company's capital structure occurs without the prior written consent of the Underwriter;
- (11) **compliance with regulatory requirements:** a material contravention by the Company or any entity in the Group of the *Corporations Act*, the Listing Rules, its constitution or any other applicable law or regulation;
- (12) **Offer Document to comply:** the Offer Document or any aspect of the Offer does not materially comply with the *Corporations Act*, the Listing Rules or any other applicable law or regulation;
- (13) **notifications:** any of the following notifications are made:



- (A) ASIC gives notice of an intention to hold a hearing under section 739(2) *Corporations Act* or issues an order under sections 739(1) or (3) *Corporations Act*;
  - (B) an application is made by ASIC for an order under Part 9.5 *Corporations Act* in relation to the Offer Document or ASIC commences any investigation or hearing under Part 3 *Australian Securities and Investments Commission Act 2001 (Cth)* in relation to the Offer Document;
  - (C) the Company or an entity in the Group issues a public statement concerning the Offer which has not been approved by the Underwriter under the Underwriting Agreement; or
- (14) **breach:** the Company breaches any of their material obligations under the Underwriting Agreement;
- (15) **representations and warranties:** any representation or warranty contained in the Underwriting Agreement on the part of the Company or the Group is breached or becomes false, misleading or incorrect to a material extent;
- (16) **prescribed occurrence:** an event specified in section 652C(1) or section 652C(2) *Corporations Act*, but replacing 'target' with 'Company' or a Related Body Corporate of the Company; or
- (17) **timetable:** an event specified in the timetable in the Underwriting Agreement is delayed for more than 5 Business Days other than as the result of actions taken by the Underwriter or due to requirements of ASX (unless those actions were requested by the Company) or the actions of the Company (where those actions were taken with the Underwriter's prior consent).
- (18) **change in laws:** any of the following occurs which does or is likely to prohibit, materially restrict or regulate the Offer or materially reduce the likely level of valid Applications or materially affects the financial position of the Company or a Related Body Corporate of the Company or has a material adverse effect of the success of the Offer;
- (A) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
  - (B) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory or the Reserve Bank of Australia; or
  - (C) the adoption by ASX or their respective delegates of any regulations or policy;
- (19) **failure to comply:** the Company or any Related Body Corporate of the Company fails to comply with any of the following:
- (A) a provision of its Constitution;
  - (B) any statute;
  - (C) the Listing Rules;
  - (D) a requirement, order or request made by or on behalf of the ASIC, ASX or any Governmental Agency; or
  - (E) any agreement entered into by it;



(20) **Offer Document**

(A) in the Underwriter's reasonable opinion:

- there has been a significant change affecting any matter included in the Offer Document; or
- a significant new matter has arisen the inclusion in the Offer Document of information about which would have been required to be in the Offer Document if the matter had arisen when the Offer Document was prepared;

(B) the Company informs the Underwriter of any change, information or deficiency in the Offer Document, or lodges a supplementary offer document.

(21) **due diligence:** there is a material omission from the results of the due diligence investigation performed in respect of the Company or the verification material or the results of the due diligence investigation or the verification material are false or misleading.

If an Event of Termination occurs the Underwriter may terminate the Underwriting Agreement at any time prior to Completion by giving notice in writing to the Company which sets out:

- (a) the Event of Termination; and
- (b) that the Underwriting Agreement is terminated.

The Underwriter may not exercise its rights to terminate the Underwriting Agreement in respect of a matter specified in paragraphs 5.1(b)(1) to 5.1(b)(21) above unless:

- (a) in the reasonable opinion of the Underwriter reached in good faith, the occurrence of such an event could result in:
  - (1) a material adverse change in the financial position, performance or prospects of the Company from that which existed at the date of the Underwriting Agreement; or
  - (2) the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement; or
  - (3) the success of the Offer being affected, to a material degree; and
- (b) the Underwriter has afforded the Company a reasonable time (at least 5 business days) to remedy the event after giving the Company written notice of the relevant event and such event has not been remedied to the reasonable satisfaction of the Underwriter after the expiration of such time.

## 5.2 **Sub-Underwriting Agreements**

Taylor Collison Limited has entered into Sub-underwriting Agreements with each of the Sub-Underwriters Ganbros Pty Ltd ACN 010 001 117 as trustee for the Joseph Ganim Family Trust, Gansons Pty Ltd ACN 010 001 126 as trustee for the Paul Ganim Family Trust, Ganboys Pty Ltd ACN 010 001 108 as trustee for the Peter Ganim Family Trust and De Luca Group Superannuation Pty Ltd ACN 099 690 098 as trustee for the De Luca Group Superannuation Fund #3, being entities associated with Joseph Ganim and Gilbert De Luca, Directors of the Company on 6 October 2010.

Set out below is a summary of the material terms of the Sub-underwriting Agreements.

- (a) The Sub-underwriters have agreed to sub-underwrite a combined maximum of 47,316,563 New Shares, representing a maximum sub-underwritten amount of \$1,656,080.
- (b) In the event of a shortfall (as defined in the Sub-underwriting Agreements), the Sub-underwriters are required to subscribe (or procure subscriptions) for New Shares in accordance with a specified formula which takes into consideration Entitlements subscribed for by each Sub-underwriter and its associates.
- (c) Any Valid Applications submitted with respect to any Entitlement of a Sub-Underwriter or its associates will relieve the obligation of the relevant Sub-Underwriter to subscribe for New Shares in accordance with the above formula.
- (d) The Sub-underwriters will be paid a fee by the Underwriter.
- (e) The Sub-underwriters have no right to terminate the Sub-Underwriting Agreement. The Sub-underwriting Agreement will terminate if the Offer does not proceed or the Underwriting Agreement is terminated.

### 5.3 **Loan agreement**

On 29 September 2009 the Company entered into a letter of variation with NAB to extend its current bill facilities until 31 August 2012. The extension of this finance facility is subject to a number of standard covenants with respect to loan to value ratios, interest cover and earnings.

The agreement to extend the finance facilities to 31 August 2012 is also subject to the Company completing a capital raising on or before 30 November 2010 and the Company reducing its current debt by \$1.3 million. In the event that the Company does not complete its capital raising on or before 30 November 2010 the bill facilities will only be extended until 31 August 2011.

The Company will also be required to obtain valuations of its assets on a two year rolling basis.

Further details on the Company's finance facilities are contained in the Company's annual report which was lodged with ASX on 30 September 2010.

## **6. Additional information**

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### **6.1 Section 708AA Corporations Act**

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer Document is issued under section 708AA(2)(f) of the *Corporations Act*. This section enables disclosing entities to issue an Offer Document in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer Document. Apart from formal matters this Offer Document need only:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to section 708AA(8) and (9) of the *Corporations Act*; and
- (b) state:
  - (1) the potential effect the issue of the New Shares will have on the control of the Company; and
  - (2) the consequences of that effect.

### **6.2 Rights and liabilities attaching to New Shares**

The New Shares will, from issue, have the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

### **6.3 Litigation**

As at 30 June 2010, the Company had a contingent asset in respect of unpaid rebates and trade incentives received by the former manager of the Ashmore Tavern and Imperial Hotel. Following the termination of the hotel management agreement in March 2008, the Directors became aware of rebates, incentives and other amounts received by the former manager in respect of the Company's liquor purchases, which the Directors believe are due to the Company. As a result, Supreme Court proceedings have been instituted. No amount has been recognised by the Company in its accounts as a receivable as it is contingent upon the outcome of the dispute.

The former manager has disputed the claim and has filed a defence and counter claim. No amount has been recognised by the Company in its accounts as a payable as it is contingent upon the outcome of the dispute. The Company considers the counterclaim to be based on spurious grounds.

### **6.4 Expenses of the Offer**

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$200,000.

### **6.5 Consents and disclaimers**

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

Computershare Investor Services Pty Limited has given and has not withdrawn its consent to be named in this Offer Document as the share registrar of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than being named as share registrar to the Company. It has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Offer Document.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Offer Document as solicitors to the Offer in the form and context in which it is named. It has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for any part of the Offer Document other than references to its name.

Taylor Collison Limited has given and has not withdrawn its consent to be named in this Offer Document as the Underwriter in the form and context in which it is named. It has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for any part of the Offer Document other than references to its name.

#### 6.6 **Directors' statement**

This Offer Document is issued by Eumundi Group Limited. Each Director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Eumundi Group Limited by:

A handwritten signature in black ink, appearing to read 'Joseph Ganim', with a long horizontal stroke extending to the right.

Joseph Ganim  
Chairman  
Eumundi Group Limited

## 7. Definitions and glossary

Terms and abbreviations used in this Offer Document have the following meaning:

Additional Shares	Those Shares which Eligible Shareholders may apply for under this Offer Document in excess of their Entitlement, in the event that there is a Shortfall
Applicant	A person who submits an Entitlement and Acceptance Form
Application	An acceptance of Entitlements
Application Money	The Offer Price multiplied by the number of New Shares accepted
ASIC	Australian Securities & Investments Commission
ASX Operating Rules	The operating rules of the ASX Settlement and Transfer Corporation Pty Limited which apply while the Company is an issuer of CHESS-approved securities, each as amended or replaced from time to time
ASX	ASX Limited ACN 008 624 691
Board	The board of Directors of the Company
CHESS	The clearing house electronic sub register system, an automated transfer and settlement system for transactions in Securities quoted on ASX under which transfers are effected in paperless form.
Closing Date	The date by which valid acceptances must be received by the Share Registrar being 5.00pm (Brisbane Time) 16 November 2010 or such other date determined by the Board
Company or Eumundi	Eumundi Group Limited ACN 010 947 476
Constitution	The constitution of the Company
<i>Corporations Act</i>	Corporations Act 2001 (Cth)
Director	A director of the Company
Eligible Shareholder	A Shareholder who holds Shares in the Company on the Record Date
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form attached to this Offer Document
Entitlements	The entitlement to accept New Shares under this Offer Document
Foreign Shareholders	Those Shareholders with a registered address outside of Australia and New Zealand
Group	The Company and its Related Bodies Corporate
Listing Rules	The official listing rules of the ASX
New Shares	Those Shares to be issued by the Company pursuant to this Offer Document
Nominee	Veritas Securities Limited
Offer	The issue of New Shares in accordance with this Offer Document
Offer Price	3.5 cents for each New Share applied for

Opening Date	The date of commencement of the Offer expected to be 20 October 2010 at 10.00am (Brisbane time)
Offer Document	This Offer Document dated 7 October 2010 as modified or varied by the Company
Official List	The official list of entities that ASX has admitted and not removed
Official Quotation	Quotation on the Official List
Record Date	15 October 2010
Register	The company register of the Company
Related Body Corporate	Has the same meaning as in section 50 of the <i>Corporations Act</i>
Relevant Interest	Has the same meaning as in section 608 of the <i>Corporations Act</i>
securities	Has the same meaning as in Section 92 of the <i>Corporations Act</i>
Share Registry	Computershare Investor Services Pty Limited (ABN 48 0787 279 277)
Shares	The ordinary shares on issue in the Company from time to time
Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement lapses
Sub-underwriters	Means each of: <ul style="list-style-type: none"> <li>a) Ganbros Pty Ltd ACN 010 001 117 ATF the Joseph Ganim Family Trust;</li> <li>b) Gansons Pty Ltd ACN 010 001 126 ATF the Paul Ganim Family Trust;</li> <li>c) Ganboys Pty Ltd ACN 010 001 108 ATF the Peter Ganim Family Trust; and</li> <li>d) De Luca Group Superannuation Pty Ltd ACN 099 690 098 ATF the De Luca Group Superannuation Fund #3.</li> </ul>
Sub-underwriting Agreements	The agreements between the Underwriter and the Sub-underwriter summarised in Section 5.2 of this Offer Document
Underwriter	Taylor Collison Limited ABN 53 008 172 450
Underwriting Agreement	The agreement between the Underwriter and the Company summarised in Section 5.1 of this Offer Document

## 2. Corporate directory

Directors	Solicitors to the Offer
Mr Joe Ganim ( <b>Chairman</b> ) Mr Gilbert De Luca ( <b>Non Executive Director</b> ) Mr Vernon Wills ( <b>Non Executive Director</b> ) Mr Mark Peacock ( <b>Managing Director</b> )	HopgoodGanim Lawyers Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000
Administration and Registered Office	Share Registry
Eumundi Group Limited Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000	Computershare Investor Services Pty Limited Level 19, 307 Queen Street Brisbane QLD 4000
Underwriter	
Taylor Collison Limited Level 10, 167 Macquarie Street Sydney NSW 2000	