

Eumundi Group Limited ACN 010 947 476

Rights Issue Offer Document

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

A non-renounceable rights issue to existing Shareholders of Eumundi Group Limited of 141,949,690 New Shares at an issue price of 4.5 cents each on the basis of 1 New Share for every 1 Share held to raise up to approximately \$6,387,736 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

Legal Adviser



HopgoodGanim

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Key dates for investors

Record Date for determining entitlements under the Offer:	11 October 2013
Despatch of Offer Document:	17 October 2013
Offer opens:	17 October 2013
Offer close:	5:00pm (ADST) 31 October 2013
Allotment of New Shares:	11 November 2013
Trading Commences for New Shares on ASX:	12 November 2013
Despatch of New Share holding statements:	14 November 2013

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:	141,949,690
Offer Price:	4.5 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. 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 552 270 or (outside Australia) +61 9415 4000.

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 2 October 2013 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 2.4 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. The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

Taylor Collison Limited 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 1.19.

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

2 October 2013

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 4.5 cents per share for every one (1) Share held, to raise up to approximately \$6,387,736. 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.

The Company continues to work to source opportunities for the growth and development of the Company's assets. These opportunities may include acquisition in the hotel ownership and operation sector. However any action taken in this regard will be dependent on assets being identified which meet the criteria of the Company. It is proposed that the funds raised from the Offer will be applied to develop and improve the Company's property investments, to fund general working capital requirements (including facilitating any future opportunities that may be identified by the Directors and managing the Company's existing debt pending any such acquisitions) and to pay for the costs of the Offer.

The Directors who currently hold Shares 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 enclosed with 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 (ADST) on the closing date of 31 October 2013.

The Independent Directors in consultation with the Underwriter will determine the allocation of Additional Shares and Shortfall Shares. The Independent Directors will first seek to place the Shortfall with Shareholders who have at the time of their initial application, applied for Additional Shares. The Independent Directors will work with the Underwriter to place the Additional Shares to applicants in a manner which is in the view of the Independent Directors in the best interests of the Company moving forward. This may include an allocation on a pro-rata basis if, there is greater demand than available Additional Shares.

Those Eligible Shareholders who have agreed to act as sub-underwriters have agreed to take up their full Entitlement under the Offer. The Underwriter (itself or through sub-underwriters) will then take up (at the Issue Price) any remaining Shortfall following exhaustion of the Additional Share allocation.

Given that some of the Sub-underwriters are entities related to my fellow director Gilbert De Luca and myself, there is a possibility for the Offer to impact on the level of control exercised by Mr De Luca or myself and our associates over the Company.

If all Eligible Shareholders take up their full Entitlements under the Offer, there will be no significant change to the existing proportion of ownership of the Company.

However, if no Eligible Shareholders other than Mr De Luca, myself and our associates take up their Entitlements, then Mr De Luca and my holdings will increase. In entering into the Underwriting

Agreement the Directors took into account the sub-underwriters assertion that they were not seeking to increase their control over the Company and that the Company was raising the funds for the purposes set out in this Offer Booklet.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Joseph Ganim', with a large, dark, scribbled area at the beginning of the signature.

Mr Joseph Ganim
Chairman
Eumundi Group Limited

1. Offer details

1.1 The Offer

This Offer Document is for the non-renounceable rights issue of approximately 141,949,690 New Shares at an issue price of \$0.045 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 \$0.045 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. There is no guarantee that Eligible Shareholders will be successful in being allocated any of the Additional Shares for which they may apply. 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. The Directors of the Company who are not associated with participating sub-underwriters will, in consultation with the Underwriter, determine an allocation policy for the Additional Shares and Shortfall Shares which they consider is in the best interests of the Company moving forward.

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements (after taking into account applications for Additional Shares) 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 Placement of Shortfall

In the event that there is a Shortfall in subscriptions (including any shortfall existing after taking into account applications for Additional Shares) under the Offer, the Directors reserve the rights as contemplated within the Listing Rules, to allocate any Shortfall of New Shares in their discretion so as to ensure that the maximum amount of funds are raised.

1.7 Purpose of the Offer

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

- develop and improve its property investments;
- improve working capital availability, including, to assist in facilitating any future opportunities that may arise and, in the interim, manage existing debt; and
- pay for the costs of the Offer.

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

Proposed use of funds	
Costs of issue	\$380,000
Capital Improvements <ul style="list-style-type: none">• Capital improvements to Ashmore Tavern• General capital improvements and repairs and maintenance to other properties	\$ 2,000,000
Working capital <ul style="list-style-type: none">• General working capital• Investigation and facilitating future opportunities	\$4,007,736
Total	\$6,387,736

Note: Pending the identification of opportunities for the Company, it is intended that part of the working capital will be utilised to manage existing debt and reduce the cost of borrowing in respect of that debt.

1.8 The Company's Share price on ASX

The last sale price of Shares on ASX before the date of the announcement of the Offer on 2 October 2013 was 6.6 cents on 25 September 2013.

The highest and lowest market sale prices of Shares on ASX during the 3 months immediately preceding 2 October 2013 were:

- Highest – 6.7 cents on 25 September 2013
- Lowest – 5.0 cents on 4 July 2013.

The volume weighted average market price of Shares on ASX during the 3 months immediately preceding 2 October 2013 was 5.97 cents.

1.9 Director's Intentions in respect of Entitlements

Each of Joseph Ganim and Gilbert De Luca 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 and Charles Russell McCart do not have any interest in Shares.

Director	Shares	Entitlement	Intentions
Joseph Ganim	36,068,033	36,068,033	Intends to take up Entitlement in full
Gilbert DeLuca	20,190,436	20,190,436	Intends to take up Entitlement in full

1.10 Important dates

Announcement and application for Official Quotation of New Shares	2 October 2013
Section 708AA notice given to ASX	2 October 2013
Ex Date for Entitlements	4 October 2013
Record Date for the Offer	11 October 7.00pm (ADST)
Despatch of Offer Document and Entitlement and Acceptance Form	17 October 2013
Opening Date of Offer	17 October at 9.00am (ADST)
Closing Date of Offer	31 October 2013 at 5.00pm (ADST)
Allotment of New Shares	11 November 2013
Trading Commences for New Shares on ASX	12 November 2013
Despatch of New Share holding statements	14 November 2013

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.

1.11 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;
- take up part of your Entitlement and allow the balance to lapse; or
- 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 (ADST) on 31 October 2013 at the address set out below:

Eumundi Group Limited
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.

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

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 (ADST) on 31 October 2013 at the address set out below:

Eumundi Group Limited
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 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 (ADST) on 31 October 2013 at the address set out below:

Eumundi Group Limited
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 lapses 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.

Important Administrative Matters

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.

1.12 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.

The Directors of the Company who are not associated with participating sub-underwriters will, in consultation with the Underwriter, determine an allocation policy for the Additional Shares

and Shortfall Shares which they consider is in the best interests of the Company moving forward.

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.

1.13 ASX listing

The Company applied to ASX for the listing and Official Quotation of the New Shares on the ASX on 2 October 2013. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants.

Should the New Shares not be granted official quotation within 3 months of the date of this Offer Document, none of the New Shares under this Offer Document will be issued and all Application Money will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

1.14 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.

1.15 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.

1.16 No rights trading

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

1.17 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. Details of the Underwriting Agreement and the Sub-underwriting Agreements are set out in Sections 5.1 and 5.2 of this Offer Document.

The potential impact on control of the Company as a result of the related party Sub-underwriting is set out in section 3.1 of this document.

1.18 Options

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

1.19 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 Taylor Collison 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 Shareholders having a registered address outside of Australia or New Zealand.

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 Taylor Collison 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 that would otherwise be issued to Foreign Shareholder (after deducting costs).

Notice to Nominees and Custodians

Nominees and custodians may not distribute any part of this document in any country outside Australia and New Zealand, except to beneficial holders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in this Offer.

1.20 Electronic Offer Document

An electronic version of this Offer Document is available on the Internet at 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

Since initially listing on the ASX, Eumundi has developed to now focus on hotel operations and associated property holding 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 and a tavern with associated retail liquor outlets.

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 prominently located on a significant 8,944 square metre allotment on the busy roundabout intersection of Cotlew and Currumburra Streets, Ashmore on the Gold Coast.

The Ashmore Tavern was acquired by the Company in 1996 and since its acquisition has continued to provide a strong source of revenue for the Company.

Retail liquor sales are delivered through the on-site liquor barn and three detached bottle shops operated under the Company's Quench Liquor brand, one of the largest independent liquor retail brands on the Gold Coast. During the 2012-13 year the Company introduced a corporate division which now supplies liquor to restaurants and hospitality businesses across the Gold Coast. At a time when the Company considers many Gold Coast liquor retailers were experiencing a contraction in sales, the Company's retail liquor sales increased by 15% from \$7,980,000 in the prior year to \$9,180,000 in the current financial year, albeit at lower margin.

Ashmore Tavern restaurant and bar have performed well in a very difficult market with food sales increasing by 1% from \$550,000 in the prior year to \$630,000 for the year to 30 June 2013, while bar sales increased by 7.5% from \$1,070,000 in the prior year to \$1,150,000. Having stepped back from heavy discounting which appears to the Company to be prevalent across the Gold Coast region, the venue is building its reputation on quality food at reasonable prices.

The Ashmore Tavern gaming room is widely regarded as one of the Gold Coast's best. Gaming revenues increased from \$3,380,000 in 2012 to \$3,810,000 for the year to 30 June 2013. The growth achieved in the Ashmore Tavern gaming room is over double the combined average growth of Gold Coast and Queensland hotels and clubs.

During the year, the ongoing program of game upgrades was further enhanced by the introduction of a gaming loyalty program which has delivered an increase in membership of the venue, and importantly will position the Ashmore Tavern for the future by facilitating cashless gaming as soon as legislation allows.

In July 2013, five additional gaming authorities were acquired. The gaming room is now trading with 45 machines, the maximum number allowable, and delivering a premium experience to its patrons with the best available gaming machines and an exciting program of promotions.

A rejuvenation of the venue is considered necessary to deliver restaurant and bar growth in the coming years. The Company is presently working with hotel architects on a plan for the venue which will see the Ashmore Tavern emerge as a destination venue while delivering much needed functional improvements to the kitchen and incorporating a family friendly area.

The Ashmore Tavern site, zoned "Integrated Business Domain" holds potential for significant future redevelopment. Previous planning advice proposed multi level mixed use, commercial and retail tenancies including a supermarket, with residential and short term accommodation above the tavern restaurant, bars and gaming lounge.

As previously announced to ASX, the Company took control of the Publovers Tavern, Aspley Shopping Centre, as landlord in possession in March 2013 and currently continues to operate this business.

The Company was able to draw on expertise of the Ashmore Tavern management team to assist with the takeover and the supervision of day to day operations and administrative functions.

Publovers Tavern operations consist of 35 gaming machines, bar, bistro and a detached bottleshop which currently trades under the Company's Quench Liquor brand. Following the recent and significant upgrade of the venue's gaming room, turnover continues to build and this venue has the potential to acquire a further 10 gaming authorities in future.

The Directors remain confident that the highest and best use of the Publovers Tavern tenancy premises is as a tavern and as such it has focused efforts on building all aspects of this business. Over the coming months the Directors will assess whether to secure a tenant for the premises on a long term lease or run the venue itself thereby increasing the Company's presence in the hotel industry and further developing the Quench Liquor retail brand in South East Queensland.

2.2 Investment Properties

(a) Aspley

The Aspley Property (incorporating Aspley Arcade Shopping Village and Aspley Shopping Centre), with combined land area of 15,158m², is located 14km north of Brisbane's CBD on Gympie Road, the major north-south arterial road linking the CBD with the northern suburbs and the Bruce Highway, close to the intersection of Gympie Road, Robinson Road West, and Gayford Street.

With a total lettable area of 4,579 m², notable tenants Westpac, Q Scan, Amcal Pharmacy, Sushi Train, Jett's Gym, Pizza Hut, Subway, Miss India, Cold Rock, Foodworks, Liquorland, LJ Hooker, Ray White and Remax complement a diverse mix of independent local retail and professional tenants including 24 hour newsagency, dentist, lawyer, physiotherapist, optician, florist, barber, tattooist, cafe, chinese takeaway, bakery, tavern and liquor store.

Excluding the Publovers Tavern and detached bottleshop, which the Company is presently operating as landlord in possession, the weighted average lease expiry is 3.78 years with 4 vacant shops in the combined centre representing an 8.65% vacancy rate.

As at 30 June 2013, the decision was taken by directors to write-down the fair value of the Aspley Shopping Centre conservatively by \$1.785 million after tax following the termination of a significant lease on the centre's tavern. The Publovers Tavern business is presently being operated by the Company as landlord in possession and this will continue for a period while directors assess whether the best outcome for the Company is to sell the business and secure a new tenant for the premises, or to run the business and increase the Company's participation in the hotel sector.

In any event, the directors remain confident of the significant development potential associated with the Aspley Shopping Centres which in their view is a blue chip redevelopment site with generous dual street frontage. The land is zoned "Multi Purpose Centre MP3" and previous planning advice indicates the potential for higher mixed-use outcomes taking advantage of the site's prominent position in one of Brisbane's major commercial hubs. Pending redevelopment, the centres continue to provide a solid income for the Company.

There is no current intention to develop this area at this stage, however this is an opportunity for the future or may otherwise assist the Company in realising a premium value upon sale.

(b) Bribie Harbour Shopping Village

Bribie Harbour Shopping Village is the second largest shopping centre on Bribie Island in Moreton Bay, Queensland with 4,514 m² of net lettable area. The open style shopping centre is located close to the Pacific Harbour development, bowls club, parks and Banksia Beach State School.

Having regard to the physical location of the property, the configuration of the centre and the demographic of the catchment area, success of the centre will be determined by securing the

right tenant mix and maintaining appropriate rents. The 6 vacant shops in the centre represent a vacancy rate of 10% of the centre, while weighted average lease expiry for the centre is 7.68 years.

As announced to ASX on 27 September 2013 Woolworths Limited was successful in acquiring the business of Cornetts IGA at Banksia Beach and anticipate trading from the premises mid November 2013. With Woolworths anchoring the Bribie Harbour Shopping Centre, based upon a recent independent valuation by a member of the Property Institute of Australia, the fair value of the property will increase by \$1.3 million to \$11.8 million.

Directors are confident that with this significant development, leasing interest will strengthen which will enhance the ability to achieve a fully leased neighbourhood centre with optimum tenancy mix within the Banksia Beach community.

2.3 Future Activities

The Company has to date, and continues to, seek to identify and review investment opportunities that will maximise Shareholder value. It remains the Directors' intention to source and secure appropriate opportunities aimed at enhancing shareholder value. Whilst no specific opportunity has been identified to date, the Directors continue to seek opportunities which may include acquisitions that meet the criteria of the Company.

2.4 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.

"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 Company is not aware of any Excluded Information at the time of announcing this Offer.

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

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 1 October 2013 are as follows:

Name	Shares	%
De Luca Group Superannuation Fund – De Luca Group Super Fund	20,190,436	14.22
Ganboys Pty Ltd	11,316,855	7.97
Natpac Financial Services Pty Ltd AFT - Robert Blann Superfund	11,151,582	7.86
Ganbros Pty Ltd	10,685,991	7.53
Gansons Pty Ltd	9,506,663	6.70
Mrs Tracy Fraser	6,563,910	4.62
Swancliffe Pty Ltd	5,840,276	4.11
Wilhelm Super Fund Account	4,157,224	2.93
Archer Management Pty Ltd – Archer Super Fund	3,498,608	2.46
Torryburn Super Fund	2,860,000	2.01
Mr J M Ganim	2,652,800	1.87
Atkone Pty Ltd	2,168,731	1.53
Ruminator Pty Ltd	2,168,731	1.53
Caske Family Superannuation Pty Ltd - Caske Family Super Fund	2,000,000	1.41
Phillips Consolidated Pty Ltd - Phillips Family Super Fund	1,981,264	1.40
Keiser Shipping and Transport Pty Ltd	1,935,199	1.36
Agpro Pty Ltd- Joe Ganim Super Fund	1,905,724	1.34
Atkins Steelcraft Pty Ltd	1,822,000	1.28
Miek Pty Ltd - The Tutt Super Fund Account	1,450,863	1.02
Rogand Super Fund	1,321,627	0.93
Total:	105,178,484	74.10

However, following the close of the Offer as a result 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 \$4,096,152.81 of the Offer representing a maximum of 91,025,618 New Shares). Any acceptance of an Entitlement by the Sub-Underwriters will be adjusted from this amount. 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) ³		Maximum Post Offer Holding assuming no holders take up their entitlements and Underwriter and Sub-underwriters subscribe for maximum amounts ⁴	
	No.	%	No.	%	No.	%
Joseph Ganim & associated entities ¹	37,350,833	26.31	74,701,666	26.31	96,183,866	33.88
De Luca Group Superannuation ²	20,437,836	14.40	40,875,672	14.40	52,630,421	18.54

Notes:

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

2 Shares held by 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	141,949,690
Maximum number of New Shares under the Offer Document	141,949,690
Total	283,899,380

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. In this regard, the Shortfall will be placed by the independent directors, in consultation with the Underwriter, in the manner that the independent directors consider is in the best interest of the Company moving forward.

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

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. Investors who decide to sell their New Shares 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

Both the property and hotel industries in Australia are 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 either of these markets 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.

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 Tenancy risk

A number of tenancy risks are associated with holding real property. These risks may include fluctuations in the level of tenancy vacancies depending on market conditions, changes in turnover in retail sectors and the resulting effect on tenancies, potential defaults or insolvency

of tenants, tenants not exercising options, lower rental rates for new tenants than anticipated or difficulties in securing new tenants.

4.18 **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

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 2 October 2013 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 (**Event of Termination**):

- (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 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 financial 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 New Shares will not be completed, fulfilled or waived by ASX so as to result in the New Shares not being 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 Agpro Pty Ltd ACN 010 693 606 as Trustee for the Joe Ganim Superannuation Fund, 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 #5, being entities associated with Joseph Ganim and Gilbert De Luca, Directors of the Company as at the date of this Offer Document.

Set out below is a summary of the material terms of the Sub-underwriting Agreements. It is noted that the Company is not a party to the Sub-underwriting Agreements.

- (a) The Sub-underwriters have agreed to sub-underwrite a combined maximum of 91,025,618 New Shares, representing a maximum sub-underwritten amount of \$4,096,152.81.
- (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 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.

The above information relates only to the Sub-Underwriting Agreements with related parties of the Company. In addition, Taylor Collison Limited may offer the issuance of the Shortfall Shares to other unrelated sub-underwriters.

6. Additional information

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 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 \$380,000.

6.4 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 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.

6.5 **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 large, dark, scribbled area at the beginning of the signature.

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
ADST	Australian Daylight Savings Time
AEST	Australian Eastern Standard Time
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	ASX Limited ACN 008 624 691
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
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 (ADST) 31 October 2013 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 other than Foreign Shareholders
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
Independent Directors	Directors of the Company who have not either directly or through associated entities signed agreements to sub-underwrite part of the Offer
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	Taylor Collison Limited ABN 55 008 172 450
Offer	The offer and issue of New Shares in accordance with this Offer Document
Offer Price	4.5 cents for each New Share applied for
Offer Document	This Offer Document dated 2 October 2013 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
Opening Date	The date of commencement of the Offer expected to be 17 October 2013 at 10.00am (ADST)
Record Date	7:00pm (ADST) on 11 October 2013
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 48 048 279 277)
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"> a) Agro Pty Ltd ACN 010 693 606 ATF for the Joe Ganim Superannuation Fund; b) Gansons Pty Ltd ACN 010 001 126 ATF the Paul Ganim Family Trust; c) Ganboys Pty Ltd ACN 010 001 108 ATF the Peter Ganim Family Trust; and d) De Luca Group Superannuation Pty Ltd ACN 099 690 098 ATF the De Luca Group Superannuation Fund #5.
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
<p>Mr Joseph Michael Ganim (Non Executive Chairman) Mr Gilbert De Luca (Non Executive Director) Mr Vernon Alan Wills (Non Executive Director) Mr Charles Russell McCart (Non Executive Director)</p>	<p>HopgoodGanim Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000</p>
Registered Office	Share Registry
<p>Eumundi Group Limited Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000</p>	<p>Computershare Investor Services Pty Limited 117 Victoria Street West End Brisbane QLD 4101</p>
Underwriter	
<p>Taylor Collison Limited Level 10, 167 Macquarie Street Sydney NSW 2000</p>	