



EUMUNDI GROUP

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## ASX RELEASE

### **PLOUGH INN, SOUTH BANK, STRATEGIC ACQUISITION COMPLETED**

Eumundi Group Limited (Eumundi), the Queensland based hotel and investment property company, is pleased to announce that the purchase of a head lease with a remaining term of 96 years (Long Lease) over the land and buildings of the iconic Plough Inn hotel Southbank, has completed today.

The investment, undertaken by Eumundi's wholly owned subsidiary, Eumundi Property Group Pty Ltd (EPG), comprises the acquisition of the Long Lease over the standalone hotel asset. The hotel business will be owned and operated under a sub-lease (Short Lease) from EPG for an initial term of 15 years with three further options of 10 years each. The Short Lease is a triple net lease, with all outgoings and the costs of capital and structural repair and maintenance payable by the Lessee. It is supported by a 6 month bank guarantee and personal guarantees.

The purchase has been funded through a mixture of the Group's unused existing facilities and new approved facilities from its bankers, the NAB. Total Borrowings for the Group post acquisition are less than \$22M with further undrawn facilities of \$4M available for planned refurbishment of Eumundi's existing assets, Aspley Central and Aspley Arcade shopping centres and Ashmore Tavern, while still having the ability to respond to further growth opportunities which may be identified.

The Plough Inn meets the Group's stated objectives of targeting blue chip assets with substantial capital growth potential, minimal management and solid income backed by tenants of substance and proven capability. This acquisition fits the mould perfectly as an ideal complement to Eumundi's impressive portfolio and will make a net contribution of approximately \$0.42M to the pre-tax result of the Group on an annualised basis.

Joe Ganim  
Chairman