

5 June 2018

CIRCULAR TO MANAGED INVESTMENT SCHEME GROWERS – QUINTIS LTD AND ITS AUSTRALIAN SUBSIDIARIES (ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)

Court Orders the SGC to pay the Receivers' Costs

On 20 April 2018, Justice Colvin delivered his judgement in relation to the Directions Hearing at which the Receivers sought to clarify the effect of notices issued seeking to replace Quintis as manager. His Honour confirmed the Receivers' view that they were justified in causing Sandalwood Properties Ltd ("SPL") to continue to perform the role of manager and provide the services the subject of the lease and management agreements for both the 2002 and 2003 MIS.

Last Friday, 1 June 2018, the Court ordered the Sandalwood Growers Co-Operative ("SGC") to pay the Receivers' costs in an amount of \$66,532 in relation to the Directions Hearing. In making that order, Justice Colvin formed the view that the SGC were taking an adversarial position to further a commercial dispute and were advancing contentions based on their commercial interests rather than what was best for the administration of the receivership. Therefore, the SGC was not acting as a true intervener.

Replacement of SPL as responsible entity of TFS Sandalwood Project 2002

Resolutions were passed today in relation to the 2002 MIS to:

- terminate the appointment of SPL as responsible entity;
- appoint Huntley Management Limited ("Huntley") as replacement responsible entity; and
- appoint the SGC as manager.

The 2002 MIS is the smallest Quintis managed investment scheme on foot. The majority of the 2002 MIS plantation was harvested in 2017, with approximately 8 hectares remaining to be harvested.

We understand Huntley's appointment is conditional. Once any conditions have been satisfied, Huntley will be obligated to fund a number of costs and other liabilities incurred by the RE, including accrued liabilities owing by the responsible entity to third parties.

THE OLD SWAN BREWERY
LEVEL 2, 171-173 MOUNTS BAY ROAD, PERTH WA 6000
PO BOX 3040, BROADWAY, NEDLANDS, WA 6009
T +618 9215 3000 F +618 9215 3090
INFO@QUINTIS.COM.AU QUINTIS.COM.AU

QUINTIS LTD	ABN 97 092 200 854
QUINTIS FORESTRY LTD	ABN 83 080 139 966
QUINTIS LEASING PTY LTD	ABN 84 080 978 721
QUINTIS PRODUCTS PTY LTD	ABN 85 103 368 707
SANDALWOOD PROPERTIES LTD	ABN 31 093 330 977