

24 January 2024

Dear Sir/Madam

**Quintis Leasing Pty Ltd (Administrators Appointed)**  
**ACN 080 978 721 ('the Company')**

## **Court Application**

I refer to the Administrators' circular to Growers of 28 December 2023 advising Growers that on 22 December 2023, the Federal Court ordered pursuant to s 447A of the *Corporations Act 2001* (Cth) ('the Corporations Act') that the period under s 443B(2) of the Corporations Act for which the Administrators are not liable for rent or other amounts payable by the Company under any leases to which the Company is a party ('Leases') be extended to 30 January 2024.

The Administrators will shortly be filing an interlocutory process in the Federal Court seeking a two-week extension of:

- pursuant to s 443B(2) and/or s 447A(1) of the Corporations Act, the period for which the Administrators are not liable for so much rent or other amounts payable by the Company under the Leases ('s 443B Period'); and
- pursuant to s 439A(6) or s 447A(1) of the Corporations Act, the period within which the Company must convene the second meeting of the Company's creditors (known as the 'convening period'),

from 30 January 2024 to 13 February 2024.

The proposed extensions would give us more time to:

- explore the potential sale or recapitalisation of the Company (including as part of a broader sale or recapitalisation of some or all of the managed investment schemes). In this regard, we note that we have already received an enquiry from one party who has indicated interest in providing a proposal in respect of the trees on certain properties leased by the Company; and
- facilitate the effective reporting to interested parties, including regarding whether there is any viable sale or recapitalisation proposal and the likely timing, outcome and implications of SPL's winding up application.

That is, a short extension of time (of no more than 2 weeks) will allow us to explore whether there is a viable alternative to the presently anticipated winding up of the Company which might result in a better outcome for you as Growers under the managed investment schemes. It might also increase the prospect that there will remain counterparties to the Leases, which are a critical part of the Quintis group's operations and the Growers' rights in the sandalwood plantations on the land the subject of the Leases.

Conversely, if the s 443B Period is not extended:

- in order to avoid the Administrators becoming personally liable for amounts owed by the Company under the Leases, we will be required to immediately issue notices to counterparties to the Leases stating that the Company does not propose to exercise rights in relation to the property the subject of those Leases. In those circumstances, if the landowners decide to terminate the Leases (which we believe is a likely outcome), an essential part of the managed investment schemes will be removed,

the schemes will collapse and the sandalwood trees on the land the subject of the Leases may revert to the landowners. Further, the prospects of obtaining relief against forfeiture to revive those Leases (if a funding or restructuring solution is reached which allows the managed investment schemes to continue in some form) will be diminished; and

- we anticipate recommending that the Company be placed in liquidation and its business wound up at the second meeting of creditors. This would likely occur before the Supreme Court of Western Australia has determined whether it is just and equitable for the managed investment schemes to be wound up, given our understanding that interested parties have until 29 January 2024 to enter appearances in the winding up proceeding, and a final hearing is yet to be listed.

### Invitation for Proposals

As is clear from the above, either option will likely result in the destruction of whatever value remains for the Growers in the managed investment schemes (if any). Accordingly, we invite you to consider whether you wish to make any proposal to the Administrators in relation to funding the Company's liabilities under any Leases in order to preserve the value of any sandalwood plantations on those Leases (or any other sale and/or recapitalisation proposal for the Company). Any such proposal should be communicated to Jared Palandri of my office either via email at [jpalandri@kordamentha.com](mailto:jpalandri@kordamentha.com) or by phone at 0474 737 371 by no later than 10am (AWST) on Monday, 29 January 2024.

### The hearing of the Court Application

Given the potential consequences for Growers, we appreciate that some Growers may want to consider whether they wish to be heard in relation to the interlocutory process referred to above or otherwise have their position put forward to the Court. To assist Growers, a copy of the interlocutory process commencing the Court Application, once filed, will be uploaded to the Company's creditor portal at: [www.kordamentha.com/creditors](http://www.kordamentha.com/creditors). The Court has advised that it will be hearing the Court Application on Tuesday, 30 January 2024 at 2:15pm AWST. Should you wish to be heard on whether the orders being sought by the Administrators in the Court Application should be granted, you may either:

- file a notice of appearance pursuant to rule 2.9 of the *Federal Court (Corporations) Rules 2000* (Cth) ('Rules') and seek leave pursuant to rule 2.13 of the Rules to be heard at the hearing of the Court Application; or
- advise Jared Palandri of my office either via email at [jpalandri@kordamentha.com](mailto:jpalandri@kordamentha.com) or by phone at 0474 737 371 by no later than 10am (AWST) on Monday, 29 January 2024 whether you consent or oppose the orders being sought by the Administrators in the interlocutory process and we will raise any correspondence received with the Court at the hearing.

If you have any queries or wish the report to be mailed to you, please contact Isabelle Brown of this office on 08 9220 9343 or by email at [ibrown@kordamentha.com](mailto:ibrown@kordamentha.com).

Yours faithfully



Richard Tucker  
Administrator