

28 March 2024

**IMPORTANT INVESTOR UPDATE – SCHEME WIND UP
TFS SANDALWOOD PROJECT 2007 (ARSN 123 883 830) (“SCHEME”)**

We refer to our update dated 12 March 2024, notifying that the Supreme Court of Western Australia has made orders relating to the winding up of the managed investment schemes referenced in the orders.

A copy of the Court orders dated 12 and 14 March 2024 are enclosed (**Orders**).

Winding Up Process

The Orders direct Sandalwood Properties Ltd (**SPL**), as Responsible Entity, to wind up the Scheme.

SPL has commenced the winding up and has lodged the required notices with the Australian Securities and Investments Commission (ASIC).

The Constitution of the Scheme sets out the process which SPL is required to follow during the winding up process, in particular:

1. SPL must convert to money all Project Property, deduct all fees, expenses, costs and any other money in accordance with the Constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**) and then divide the balance amongst the Growers according to each Grower’s Proportional Interest (clause 6.3(b)); and
2. SPL must proceed with the winding up efficiently, diligently and without undue delay (clause 6.3(c)).

Project Property

The Scheme includes forest produce that had already been harvested prior to the Orders being made by the Court.

In order to convert the forest produce to money and to maximise the funds available during the winding up of the Scheme, SPL will shortly conduct a public tender process for the sale of that forest produce. The funds received from that tender process will be applied in accordance the Constitution and Lease and Management Agreements. We do not expect that the proceeds will be sufficient to pay the applicable fees incurred during the life of the Scheme. We therefore do not expect that there will be any proceeds available for distribution to growers from this process.

Quintis Leasing and Disclaimer of Head Leases

Your Scheme includes land that is owned by a third party and which is leased to Quintis Leasing Pty Ltd.

Quintis Leasing Pty Ltd went into liquidation on 6 March 2024. As part of the liquidation process, the liquidators will shortly issue notices under s.568 of the Corporations Act disclaiming those head leases (to the extent that they have not already done so). In effect, the disclaimer of a lease will mean that the lease is taken to be terminated. When the head leases are terminated, in effect, the subleases (including any sublease under the Scheme’s Lease and Management Agreements) will also terminate and all of the right, title and interest in the trees on the land passes to the land owner.

Termination of Lease and Management Agreements

Clause 6.5 of the Constitution for the Scheme provides that during the winding up of the Scheme, SPL may terminate any other agreements or arrangements it has entered into with the Growers which relate to the Scheme. SPL must give notice to the Growers of the termination of those agreements or arrangements.

We **enclose** the formal notice to you terminating the Lease and Management Agreement.

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TERMINATION NOTICE

28 March 2024

Dear Grower

**TFS Sandalwood Project 2007 (ARSN 123 883 830) (“Scheme”)
Court Ordered Winding Up
Termination of Lease and Management Agreement**

BACKGROUND

1. On or about 14 May 2007, Quintis Leasing Pty Ltd (in liquidation) (ACN 080 978 721), Sandalwood Properties Ltd (ACN 093 330 977) (formerly T.F.S. Properties Ltd) (**Responsible Entity**) and the Grower entered into a Lease and Management Agreement (the **LMA**) in relation to the Scheme.
2. On 12 March 2024, the Supreme Court of Western Australia ordered that the Scheme be wound up on the grounds that it is just and equitable.
3. Clause 6.5 of the Constitution for the Scheme states “*during the winding up of the Scheme or the Project, the Responsible Entity may terminate any other agreements or arrangements it has entered into with the Growers which relate to the Scheme or the Project (as the case may be)...*”

NOW TAKE NOTICE THAT:

4. Pursuant to Clause 6.5 of the Constitution, the Responsible Entity hereby provides notice to the Grower that the LMA is terminated effective immediately.

Signed on behalf of:



Kent Burwash (Chair)
on behalf of Sandalwood Properties Ltd



IN THE SUPREME COURT OF WESTERN AUSTRALIA

COR/200/2023

EX PARTE:
SANDALWOOD PROPERTIES LTD (ACN
093 330 977)

First Plaintiff

ORDERS OF JUSTICE COBBY
MADE ON 12 MARCH 2024

UPON the application of the plaintiff by originating process filed 19 December 2023 AND UPON HEARING Mr P R Edgar of senior counsel with him Ms E M C Dyer for the plaintiff IT IS ORDERED THAT:

1. Pursuant to section 601ND(1)(a) of the Corporations Act 2001 (Cth), the plaintiff as the responsible entity be directed to wind up the following managed investment schemes on the ground that it is just and equitable to do so:
 - 1.1 TFS Sandalwood Project 2007 (ARSN 123 883 830);
 - 1.2 TFS Sandalwood Project 2008 (ARSN 128 710 261);
 - 1.3 TFS Sandalwood Project 2009 (ARSN 135 373 938);
 - 1.4 TFS Sandalwood Project 2010 (ARSN 142 774 123);
 - 1.5 TFS Sandalwood Project 2011 (ARSN 150 211 171);
 - 1.6 TFS Sandalwood Project 2012 (ARSN 157 880 263);
 - 1.7 TFS Sandalwood Project 2013 (ARSN 161 604 806);
 - 1.8 TFS Sandalwood Project 2014 (ARSN 167 882 493);
 - 1.9 TFS Sandalwood Project 2015 (ARSN 604 615 232); and
 - 1.10 TFS Sandalwood Scheme 2016 Retail Investment Offer (ARSN 610 346 864).
2. There be liberty to the plaintiff to apply.

BY THE COURT

THE HONOURABLE JUSTICE G COBBY



IN THE SUPREME COURT OF WESTERN AUSTRALIA

COR/200/2023

EX PARTE:

**SANDALWOOD PROPERTIES LTD (ACN 093
330 977)**

Plaintiff

**ORDERS OF JUSTICE COBBY
MADE ON 14 MARCH 2024**

**UPON THE APPLICATION by the plaintiff by letter dated 13 March 2024 IT IS
ORDERED THAT:**

1. The orders made 12 March 2024 herein be corrected by:
 - (a) deleting the incorrect Australian Registered Scheme Number of the TFS Sandalwood Project 2010 in paragraph 1.4 of the orders and substituting “ARSN 142 774 132” in its place; and
 - (b) correcting the name of the scheme identified in paragraph 1.10 of the orders to read “TFS Indian Sandalwood Project 2016 - Retail Investment Offer (ARSN 610 346 864)”.

BY THE COURT

THE HONOURABLE JUSTICE G COBBY