

Important Update on MIS Sandalwood Projects and Appointment of KPMG
Frequently Asked Questions (FAQ)

Question	Answer
Who is Sandalwood Properties? I thought my investment was with Quintis?	<p>Sandalwood Properties Ltd (SPL) is the Responsible Entity (RE) for the investments. It is a subsidiary company of the Quintis Group, however it has its own Board, with the majority of directors being independent of Quintis.</p> <p>As the Responsible Entity for the Projects, SPL is obligated under the Corporations Act to act in the best interest of investors.</p>
What does this mean for my Project?	Each of the MIS Sandalwood Projects from TFS 2007 to TFS 2016 (inclusive) is being assessed individually and any decision on how to ensure the best outcome for Growers will be Project specific based on the findings in the KPMG report.
Why is there a need for the independent report?	<p>As you have been advised in recent Grower Updates, recent sales results achieved at tender are well below what was forecast back when the Project was established, and the volumes that are scheduled to be harvested in the next 3 years are far in excess of the global demand for Sandalwood.</p> <p>The TFS 2005 Project made a loss and it is expected that the TFS 2006 Project will also make a loss.</p> <p>Based on these facts, the appropriate course of action is to assess the likely financial outcomes for Growers in each of the Projects based on the current market conditions.</p>
Why is the RE doing this?	In order to make decisions about the future management of each scheme that are in the best interests of the Growers in each scheme.
Why wasn't this done earlier to save me paying the ongoing annual fees?	The volume of Indian Sandalwood harvested from the Projects has been increasing over the last three years. The results of tenders in the past 12 – 18 months have indicated limited demand and low pricing and this has instigated the independent review.
Who are KPMG and why have they been chosen to prepare the report?	KPMG are a global auditor and professional services firm and have the financial skills required to conduct an independent assessment of the Projects.
Is KPMG independent?	Yes. KPMG are fully independent of Sandalwood Properties Ltd (the Responsible Entity) and of Quintis.
Will I get a copy of the KPMG report?	Yes. An Explanatory Memorandum will be uploaded to the Investor website at www.sandalwoodproperties.com.au together with a copy of the report.

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When will we be told of the outcome of the Report and how it will affect my Project(s)?	<p>No decision will be made until the KPMG report has been received and carefully considered by the Responsible Entity.</p> <p>We expect to receive the report mid to late October.</p>
Am I going to lose the money that I have invested?	The KPMG Report will provide the financial analysis of the potential outcomes for the Projects. Until the Report is received it is not appropriate for us to speculate on the outcome.
What happens for the 2023/2024 insurance offer?	Following receipt of the KPMG Report (in mid to late October), the insurance broker will advise the insurance options for the year, and we will advise Growers accordingly.
I have received communication from the Sandalwood Growers Coop (SGC). They have made many claims against Quintis and have asked for a contribution to a legal fund.	<p>The SGC do not represent growers in general and do not have any authority or role in any of your Projects. Since 2018, the SGC have made multiple claims regarding imminent legal action. Quintis is not aware of any legal action from the SGC at this time.</p> <p>It is important that Growers obtain their own independent legal advice before contributing any funds to the SGC.</p>
Is my TFS 2006 investment affected by this review?	<p>The TFS 2006 project is not impacted by this process as the plantation has been harvested and will follow the prescribed tender process.</p> <p>Further communication regarding the sale of TFS 2006 harvest produce will be sent to investors after the tender upon completion of the scheme.</p> <p>The TFS 2006 Financial Report for the year ended 30 June 2023 was lodged with ASIC on 6 October 2023.</p>