



QUINTIS LTD  
ABN 97 092 200 854

14 December 2017

## Update on Sandalwood Properties Ltd - Australian Financial Services Licence

Quintis (ASX code: QIN, the “Company”), the world’s largest owner and manager of commercial Indian sandalwood plantations, refers to the Australian Financial Services Licence (“AFSL”) held by its wholly owned subsidiary Sandalwood Properties Ltd (“SPL”), the responsible entity of the retail managed investment schemes operated by SPL.

The Company has become aware of technical breaches of the financial requirements of the AFSL held by SPL. The breaches arise out of the guarantee and supporting security provided by SPL in favour of the Noteholders to whom Quintis issued US\$250 million of Senior Secured Notes in July 2016 (and the previous Notes issued in 2011). Information relating to the Notes and the guarantee and security provided by the group including SPL has been disclosed in the financial accounts of Quintis and SPL since the issue of the original Notes in 2011.

Quintis and SPL are working with the Australian Securities and Investments Commission (“ASIC”) and the Noteholders to determine the most appropriate way to deal with this issue. If SPL is unable to rectify the breaches, SPL may be exposed to the possibility of administrative action by ASIC under s914 of the Corporations Act 2001 to vary, suspend or cancel SPL’s AFSL.

Quintis will continue to update the market on material developments.

ENDS

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