

**ENFORCEABLE UNDERTAKING****Section 93AA****Australian Securities and Investments Commission Act 2001**

The commitments in this enforceable undertaking are offered to the Australian Securities and Investments Commission ("ASIC") by:

**TIFFSTOCK.COM PTY LTD
(ACN 096 873 166)**

Level 1, 48 Main Street
Box Hill
Victoria 3128

ROCKY KAN MING CHEUNG

207 Doncaster Road
Balwyn North
Victoria 3104

WOOD YAN KWOK

Level 19
Room 8
Tower 17
South Horizons
Aplei Chau
Hong Kong

1. Background

- 1.1. Tiffstock.Com Pty Ltd ('Tiffstock') was incorporated on 21 May 2001. Tiffstock has two directors: Rocky Kan Ming Cheung ('Cheung') and Wood Yan Kwok ('Kwok').
- 1.2. Tiffstock engages in the following activities as part of its business:
 - (a) Acts as an agent of Tiffit Securities (Hong Kong) Ltd ('Tiffit Hong Kong'), a company that is registered with the Hong Kong Stock Exchange and is licensed to deal in securities in Hong Kong.
 - (b) Promotes to its clients the benefits of buying and selling securities on the Hong Kong Stock Exchange.
 - (c) Upon payment of an application fee, provides clients with access to Tiffit Hong Kong's website to enable those clients to place orders to buy and sell Hong Kong securities with Tiffit Hong Kong.

- (d) Forwards the application fees of clients and their details to Tiffit Hong Kong.
 - (e) Receives from Tiffit Hong Kong, on behalf of its clients, proceeds from securities sold in Hong Kong.
 - (f) Receives a monthly payment of \$10,000 from Tiffit Hong Kong for providing the services described in paragraphs (a) to (e) inclusive.
- 1.3. Clients access Tiffit Hong Kong's website and place orders to buy and sell Hong Kong securities and pay Tiffit Hong Kong a commission for each trade conducted by Tiffit Hong Kong on their behalf.
- 1.4. Under section 780(1) of the *Corporations Act 2001* (Cth) ('the Corporations Act') a person must not carry on a securities business or hold out that the person carries on a securities business unless the person holds a dealers licence or is an exempt dealer.
- 1.5. Neither Tiffstock, Cheung nor Kwok hold licences under the Corporations Act to deal in securities or are exempt dealers.
- 1.6. ASIC has undertaken an investigation in relation to suspected contraventions of Part 7.3 of the Corporations Act arising out of the services offered by Tiffstock to the public in the period from May 2001 to December 2001.
- 1.7. As a result of its investigation, ASIC considers that, by engaging in the conduct described in paragraph 1.2, Tiffstock is carrying on a securities business in contravention of section 780(1) of the Corporations Act.
- 1.8. ASIC has the power to seek an injunction restraining the company from contravening the Corporations Act.
- 1.9. ASIC has agreed to accept the commitments in this enforceable undertaking as an alternative to the exercise of the powers referred to in paragraph 1.8 above.

2. Undertakings

Tiffstock, Cheung and Kwok give the following enforceable undertakings to ASIC pursuant to section 93AA of the *Australian Securities and Investments Commission Act 2001* (Cth) ('the ASIC Act').

2.1. Tiffstock, Cheung and Kwok each undertake that they will not:

- (a) conduct a business of dealing in securities; or
- (b) hold out that they are conducting a business of dealing in securities,

until such time as they hold a dealers licence issued under Part 7.3 of the Corporations Act.



2.2. Without limiting the generality of the undertaking in paragraph 2.1, Tiffstock, Cheung and Kwok each undertake that they will not:

- (a) Advise any person or entity in any way about investing in companies listed on the Hong Kong Stock Exchange including advising that investing in companies listed on the Hong Kong Stock Exchange is more financially beneficial than other forms of investment;
- (b) Introduce or refer any person by any means to Tiffit Hong Kong for the purpose of enabling them to buy or sell securities on the Hong Kong Stock Exchange including, but not limited to, any of the following acts:
 - (i) Providing any person with an application form to become a client of Tiffit Hong Kong;
 - (ii) Sending the details (name, address, telephone number or any other means of contact) of any person to Tiffit Hong Kong;
 - (iii) Receiving an application fee from any person in connection with any application by them to become a client of Tiffit Hong Kong; or
 - (iv) Sending to Tiffit Hong Kong any money, by way of application fee or otherwise, from any person in connection with any application by them to become a client of Tiffit Hong Kong.
- (c) Perform any act that facilitates the placing of orders by any person to buy or sell securities on the Hong Kong Stock Exchange by Tiffit Hong Kong including, but not limited to, any of the following acts:
 - (i) Providing access to computer terminals;
 - (ii) Providing access to Tiffit Hong Kong's website;
 - (iii) Receiving funds from any person in connection with any dealing in securities on their behalf by Tiffit Hong Kong;
 - (iv) Sending to Tiffit Hong Kong any money from any person in connection or any dealing in securities on the Hong Kong Stock Exchange; or
 - (v) Receiving from Tiffit Hong Kong for or on behalf of any client of Tiffit Hong Kong funds representing payment for securities sold in Hong Kong.

2.3. Tiffstock undertakes that, within 7 days of the date of this enforceable undertaking, it will provide to ASIC a complete list of the details (name, address, telephone number and any other means of contact) of each client referred by Tiffstock to Tiffit Hong Kong from May 2001 up to and including the date of this enforceable undertaking.



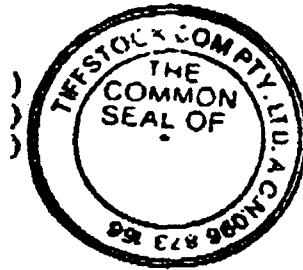
- 2.4. Tiffstock undertakes that, within 7 days of the date of this enforceable undertaking, it will send to each client referred by Tiffstock to Tiffit Hong Kong from May 2001 up to and including the date of this enforceable undertaking, a letter in the form of Attachment A and attaching a copy of this enforceable undertaking and a letter in the form of Attachment B.
- 2.5. Tiffstock undertakes that, within 14 days of the date of this enforceable undertaking, it will provide to ASIC copies of all letters sent to clients in accordance with paragraph 2.4.
- 2.6. Cheung and Kwok each undertake that they will do all things necessary to ensure compliance by Tiffstock with paragraphs 2.3 to 2.5 inclusive.

3. Acknowledgments

- 3.1. Tiffstock, Cheung and Kwok acknowledge that they have had the opportunity to obtain legal advice in relation to the content and effect of this enforceable undertaking.
- 3.2. Tiffstock, Cheung and Kwok acknowledge that ASIC:
 - (a) may issue a media release on or at any time after the execution of this enforceable undertaking referring to its terms and the concerns of ASIC which led to the execution of this enforceable undertaking;
 - (b) will make this enforceable undertaking available for public inspection; and
 - (c) may from time to time publicly refer to this enforceable undertaking.
- 3.3. Tiffstock, Cheung and Kwok acknowledge that ASIC's acceptance of an enforceable undertaking does not affect ASIC's power to investigate, conduct surveillance or pursue a criminal prosecution or its power to lay charges to seek a pecuniary penalty order.
- 3.4. Tiffstock, Cheung and Kwok acknowledge that entering into this enforceable undertaking in no way derogates from the rights and remedies available to any person arising from any conduct described in this enforceable undertaking.
- 3.5. Tiffstock, Cheung and Kwok further acknowledge that entering into this enforceable undertaking has no operative force until accepted by ASIC.



THE COMMON SEAL OF
TIFFSTOCK.COM PTY LTD
(ACN 096 873 166)



THE AFFIXING OF WHICH
WAS WITNESSED BY:

.....
Signature by director:

.....
ROCKY KAN MING CHEUNG
Director
Tiffstock.Com Pty Ltd

.....
WOBYAN KWOK
Director
Tiffstock.Com Pty Ltd

.....
Signature by director/secretary

Accepted by the Australian Securities and Investments Commission pursuant to section 93AA of the Australian Securities and Investments Commission Act by its duly authorised delegate:

Dated this 16th day of ~~December~~ ^{January} 2002

.....
Janis Orchard
Director, Enforcement South West

'ATTACHMENT A'

[Insert Date]

[Insert Client's Name]

[Insert Client's Address]

Dear Sir or Madam,

Your account with Tiffstock.Com Pty Ltd ('Tiffstock')

The Australian Securities and Investments Commission ('ASIC') has conducted an investigation into the business activities of Tiffstock. As a result of its investigation, ASIC has concluded that Tiffstock has been conducting a business of dealing in securities without a licence in contravention of the *Corporations Act 2001* (Cth) ('the Corporations Act').

Tiffstock has undertaken to ASIC that it will cease conducting business in a way that involves a breach of the Corporations Act and has entered into an Enforceable Undertaking with ASIC. A copy of this Enforceable Undertaking is enclosed for your reference.

As a result of this undertaking, Tiffstock is no longer able to assist you in any way to trade on the Hong Kong Stock Exchange. This means that Tiffstock cannot give you access to Tiffit Securities (Hong Kong) Limited's website. If you have a current investment in securities in Hong Kong that you wish to dispose of or obtain investment advice in relation to, you should contact a licensed securities dealer in Australia. Details of Australian licensed securities dealers in Australia may be found on ASIC's website at www.asic.gov.au.

Should you have any queries in relation to this letter please contact either Colin Grant or Anthony Lewis of the Australian Securities and Investments Commission on 9280 3200.

Yours sincerely,

Mr Rocky Cheung
Director
Tiffstock.Com Pty Ltd

