

Enforceable Undertaking

Australian Securities & Investments Commission Section 93AA

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

Fincorp Investments Ltd ACN 098 838 549

21 Elizabeth St Camden NSW 2570

1. Background

- 1.1 Fincorp Investments Ltd ("Fincorp") is a body corporate that at all material times carried on a business of issuing debentures (secured and unsecured notes) under a prospectus and has since 8 March 2004 held Australian Financial Services Licence 246409.
- 1.2 Advertisements were placed by or on behalf of Fincorp, promoting securities issued by Fincorp under its prospectus dated 7 December 2004.
- 1.3 The advertisements included those that appeared on:
 - (a) 12 March 2005 on radio station 2GB;
 - (b) 20 March 2005 in The Sydney Morning Herald;
 - (c) 18 May 2005 in The Australian;
 - (d) 1 June 2005 in The Sydney Morning Herald;
 - (e) 6 June 2005 on radio station 2GB;
 - (f) 8 June 2005 in The Sydney Morning Herald;
 - (g) 22 June 2005 in The Sydney Morning Herald;
 - (h) 29 June 2005 in The Sydney Morning Herald;
 - (i) 6 July 2005 in The Sydney Morning Herald; and
 - (j) 10 July 2005 in The Sun Herald.
- 1.4 These advertisements (hereinafter referred to as the "primary advertisements") invited customers to take out an investment with Fincorp and used words including, "*invest with certainty!*", "*Prudent investors require certainty*", "*They also want a strong measure of security so they can sleep soundly at night*", "*the*

rate you choose is secured for the term of your Fincorp investment” and “First Ranking investors can enjoy peace of mind through a First Ranking Charge”.

2. Concerns of ASIC

- 2.1 ASIC formed the view that the statements referred to in paragraph 1.4, together with the layout, the emphasis of underlining or voice, the photographs or the sound effects used and the composite effect of each of the primary advertisements, in the absence of any qualification, warning or disclaimer, contained some or all of the following representations, express and/or implied, which are to the effect that:
- (a) to invest in the First Ranking Notes and/or Unsecured Notes, issued by Fincorp and the subject of the primary advertisement, (“Fincorp Securities”) is to invest with certainty;
 - (b) investors who invest in Fincorp Securities will, and can be certain that they will, receive both repayment of principal at the end of the applicable term and payment of interest at the applicable rates and times;
 - (c) for investors who invest in Fincorp Securities, there is no or negligible risk that they will not receive both repayment of principal at the end of the applicable term and payment of interest at the applicable rates and times;
 - (d) Fincorp Securities are investments that are suitable for prudent and cautious investors;
 - (e) the first ranking charge securing the Fincorp First Ranking Notes provides such security that investors can enjoy peace of mind, in the sense of not having to worry about the risk of principal and interest not being paid.
- 2.2 ASIC is concerned that these representations are false and misleading and the publication of the primary advertisements may have contravened section 1041H of the Corporations Act 2001 (Cth) and/or section 12DA of the Australian Securities and Investments Commissions Act 2001.

3. Acknowledgement of ASIC's Concerns

- 3.1 Fincorp, whilst acknowledging ASIC’s concerns, does not accept that the publication of the primary advertisements breached any law and by entering into this undertaking makes no admission.
- 3.2 Fincorp offers the commitments in this undertaking as an alternative to ASIC exercising its powers and commencing proceedings against Fincorp.
- 3.3 In accepting this undertaking ASIC acknowledges that Fincorp acted to cease causing the primary advertisements to be published immediately upon being notified of ASIC's concerns.

4 Undertakings

4.1 Fincorp provides the following undertakings for the purposes of section 93AA of the Australian Securities and Investments Commission Act.

- (a) Fincorp shall cause to be published at its own expense in the General News section of a Wednesday or Friday edition of the newspapers in which the primary advertisements and similar advertisements appeared, corrective advertising in the same form and content as that provided in the attached schedule;
- (b) Fincorp shall cause to be published at its own expense in the Personal Finance section of any Sunday edition of the newspapers in which the primary advertisements and any similar advertisements appeared, corrective advertising in the same form and content as that provided in the attached schedule;
- (c) The corrective advertisements shall be of a size and font similar to the primary advertisements and where the size of the primary advertisement was of one quarter page or larger, shall be at least one quarter page in size; and
- (d) Fincorp will not in future cause to be published any advertisements with substantially the same effect as that part of the advertisements about which ASIC complains.

5. Acknowledgements

5.1 Fincorp acknowledges and agrees that ASIC:

- (a) may issue a media release on execution of this undertaking referring to its terms and the concerns of ASIC that led to its execution;
- (b) may from time to time publicly refer to this undertaking; and
- (c) will make this undertaking available for public inspection.

5.2 Fincorp acknowledges that this undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this undertaking.

5.3 Fincorp acknowledges that ASIC's acceptance of an enforceable undertaking does not affect ASIC's power to investigate a contravention arising from future conduct, or pursue a criminal prosecution, or its power to lay charges or seek a pecuniary civil order.

5.4 Fincorp acknowledges that this undertaking has no operative force until accepted by ASIC.

EXECUTED this 24 day of August 2005

in accordance with section 127 of the Corporations Act

FINCORP)
INVESTMENTS LTD)
ACN 098 838 549)



.....
Signature of Director



.....
Signature of Secretary/Director

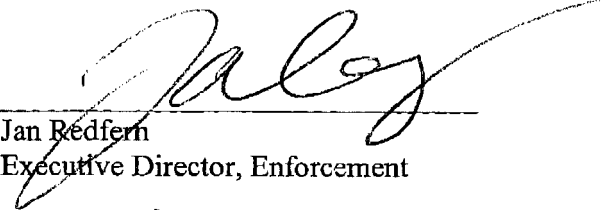
ERIC KRECICHWOST

.....
Printed Name of Director

JEFFREY ORFAN

.....
Printed Name of Secretary/Director

**ACCEPTED BY THE AUSTRALIAN SECURITIES & INVESTMENTS
COMMISSION PURSUANT TO ASIC ACT S93AA BY ITS DULY
AUTHORISED DELEGATE:**



Jan Redfern
Executive Director, Enforcement

This ^{30th} day of August 2005.

SCHEDULE

Corrective Advertising

On [INSERT DATE] Fincorp Investments Limited published an advertisement in [INSERT NAME OF PUBLICATION]. This advertisement invited customers to take out an investment with Fincorp and included statements including:

"Invest with certainty!"

"Prudent investors require certainty"

"They also want a strong measure of security so they can sleep soundly at night"

"The rate you choose is secured for the term of your Fincorp Investment"

"First ranking investors can enjoy piece of mind through a First Ranking Charge".

The Australian Securities and Investments Commission ("ASIC") is of the view that those statements implied that investors who invest in Fincorp securities are assured of both the repayment of the investment at the end of the applicable term and the payment of interest at the applicable times and rates. It is also ASIC's view that the statements implied that there is no or negligible risk involved in an investment in Fincorp securities and that investment in Fincorp securities was suitable for prudent and cautious investors.

Fincorp wishes to make it clear that in making the statements it did not intend to imply that:

- (1) investors who invest in Fincorp securities are assured of the repayment of both principal and interest at the end of the applicable term; or
- (2) there is no or negligible risk involved in an investment in Fincorp securities.

Fincorp only intended to convey that investors with Fincorp would receive a fixed rate of interest on their investment and that interest rate would not change throughout the term of the investment. Fincorp also wishes to make clear that Fincorp does not guarantee the repayment of either the principal or interest and that potential investors should carefully consider the risks of an investment in Fincorp securities. The investment risks are set out at pages 18 to 22 of our prospectus, including reference to risks in respect of property development. A copy of this prospectus may be obtained by calling 1800 200 800.