

**OPTIMA CORPORATION LIMITED**  
**ACN 098 455 460**

**NOTICE OF GENERAL MEETING AND  
EXPLANATORY STATEMENT AND  
PROXY FORM**

For a General Meeting to be held on  
Wednesday, 18 February 2004 at 11am (WST) at  
The Celtic Club, 43 Ord Street, West Perth, Western Australia

*This is an important document. Please read it carefully.*

*If you are unable to attend the General Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions set out on the Proxy Form.*

## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

### **Venue**

A General Meeting of the shareholders of Optima Corporation Limited will be held at:

**The Celtic Club  
43 Ord Street, West Perth  
Western Australia**

**Commencing  
11am (WST)  
on Wednesday, 18 February 2004**

### **How to Vote**

You may vote by attending the meeting in person, by proxy or authorised representative.

### **Voting in Person**

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 11am.

### **Voting by Proxy**

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and either:

- Send the Proxy Form by facsimile to the Company on facsimile number (08) 9382 1322 (International: +618 9382 1322); or
- Deliver the Proxy Form to the principal office of the Company at 219 York Street, Subiaco, Western Australia,

So that it is received not later than 5 pm (WST) on Monday, 16 February 2004.

**Your Proxy Form is enclosed.**

**OPTIMA CORPORATION LIMITED**  
**ACN 098 455 460**

**NOTICE OF MEETING**

Notice is given that a General Meeting of shareholders of Optima Corporation Limited (**Optima or Company**) will be held at The Celtic Club, 43 Ord Street, West Perth, WA at 11am (WST) on Wednesday, 18 February 2004.

**AGENDA**

The Explanatory Statement that accompanies and forms part of this Notice (**Explanatory Statement**) describes the matters to be considered at this meeting.

**SPECIAL BUSINESS**

**Resolution 1 – Issue of Options**

To consider and, if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.1 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, shareholders approve the issue to the parties set out in the Explanatory Statement an aggregate of 7,250,000 options to subscribe for fully paid ordinary shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement that forms part of this Notice”.*

**Short Explanation:** Under ASX Listing Rule 7.1, a company may seek shareholder approval prior to an issue of securities to allow it the flexibility to make future issues of securities up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 1 by the intended allottees of the options and any associate of any of those allottees.

**Resolution 2 – Ratification of issue of Shares**

To consider and, if thought fit to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, the Company ratifies the allotment and issue of 7,250,000 fully paid ordinary shares in the capital of the Company on 24 December 2003 to the parties and on the terms and conditions set out in the Explanatory Memorandum that forms part of this Notice”.*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 2 by any of the persons who were allotted the shares the subject of Resolution 2 and any associate of any of those persons.

DATED THIS 19TH DAY OF JANUARY 2004  
**BY ORDER OF THE BOARD**

**Anthony Ho**  
*Company Secretary*

**NOTES:**

1. A shareholder of the Company who is entitled to attend and vote at a general meeting of shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
3. For the purposes of the Meeting, the Directors have set a snapshot date to determine the identify of those entitled to attend and vote at the Meeting. The snapshot date is 5pm (WST) on Monday 16 February 2004.

## EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

### 1. GENERAL INFORMATION

This Explanatory Statement has been prepared for the shareholders of Optima Corporation Limited (**Optima** or **Company**) in connection with the general meeting of the Company to be held on Wednesday 18 February 2004.

#### 1.1 Background

The Company entered into a Security Sale Agreement (**SSA**) on 19 December 2003, under which the Company has acquired a 100% interest in West Surfing Products (USA) Pty Ltd (**WSP**). WSP has an exclusive license to manufacture, market, use, sell and distribute products designed by the well known West Australian surf company "West Surfing Products" within the world's largest surf market, the United States of America (**License**).

The License allows WSP to sell, supply, use and exploit all of the Trade Marks and Logos owned by West Surfing Products, and to manufacture new projects bearing the Logos and Trade Marks anywhere in the United States.

West Surfing Products was founded in Perth, Western Australia in 1982, and has evolved from its humble origins to be a key competitor in the lucrative surf market. It has become known the world over as a surf company responsible for the manufacture and distribution of lifetime guarantee wetsuits and quality surf clothing & accessories.

The Company has licensees in Japan, Europe, New Zealand and Indonesia, and distributorships in Singapore, Malaysia & Taiwan.

The consideration of the acquisition of all the shares and options in WSP comprised:

- (a) 7,250,000 fully paid ordinary shares at a deemed issue price of \$0.05 each (**Consideration Shares**); and
- (b) 7,250,000 options exercisable at 20 cents each on or before 31 December 2004 (**Consideration Options**).

The Consideration Shares, before the exercise of any options, represent 12.8% of the post-acquisition issued capital of the Company.

The Consideration Options which are yet to be allotted, are the subject of Resolution 1 (see below) seeking shareholder approval for the purpose of Listing Rule 7.1.

The Consideration Shares were issued pursuant to the SSA on 24 December 2003 and are the subject of Resolution 2 (see below) seeking ratification by shareholders for the purpose of Listing Rule 7.4.

### 2. THE RESOLUTIONS

#### 2.1 Resolution 1 – Issue of Options

Resolution 1 seeks shareholder approval to issue the Consideration Options (the terms and conditions of which are set out in Annexure A to this Notice of Meeting) in consideration for the

acquisition of 2,060 options to subscribe for shares in the capital of WSP at an exercise price of 20 cents each on or before 31 December 2004 (WSP Options) to:

| <b>Allottee</b>                                     | <b>Number of Options</b> |
|---|--------------------------|
| Blair Edward Sergeant                               | 2,182,039                |
| Marcello Davide Cardaci atf MD Cardaci Family Trust | 1,003,034                |
| Rimoh Pty Ltd                                       | 1,003,034                |
| Nefco Nominees Pty Ltd                              | 3,061,893                |
| <b>TOTAL</b>  | <b>7,250,000</b>         |

### **2.1.1 Listing Rule 7.1 of the ASX Listing Rules**

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, during any 12-month period issue any equity or other securities with rights of conversion to equity if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders in general meeting.

The proposed issue of the Consideration Options is placed before shareholders to allow this number of securities to be excluded from the calculation set out in ASX Listing Rule 7.1.

The following information is provided in relation to the proposed issue of Options in accordance with ASX Listing Rule 7.3:

- (a) the maximum number of Options to be issued is 7,250,000;
- (b) the Company will issue the Options the subject of the SSA within 3 months of the date of the Meeting (or such other date as extended by ASX) and it is anticipated that all of those Options will be issued on one date;
- (c) all Options will be issued on the same terms as, and will rank equally with, the Company's existing listed Options; and
- (d) the Options will be issued in consideration for the acquisition of the WSP Options noted in paragraph 2.1 above at nil issue price.

### **2.2 Resolution 2 - Ratification of issue of Shares**

Under the SSA, the Company issued on 24 December 2003, 7,250,000 fully paid ordinary shares at a deemed issue price of 5 cents each, in consideration for the acquisition of all the issued capital of WSP, to:

| <b>Allottee</b>                                     | <b>Number of Shares</b> |
|---|-------------------------|
| Blair Edward Sergeant                               | 2,182,039               |
| Marcello Davide Cardaci atf MD Cardaci Family Trust | 1,003,034               |
| Rimoh Pty Ltd                                       | 1,003,034               |
| Nefco Nominees Pty Ltd                              | 3,061,893               |
| <b>TOTAL</b>  | <b>7,250,000</b>        |

## 2.2.1 Listing Rule 7.4 of the ASX Listing Rules

### *Listing Rule 7.4*

The Company is requesting shareholders to ratify the issue of the Shares the subject of Resolution 2 for the purpose of Listing Rule 7.4, so that the Company will have the flexibility to issue up to a further 15% of its issued fully paid securities subject to Listing Rule 7.1 without seeking shareholder approval.

For the purpose of Listing Rule 7.5, the following information is provided:

- (a) a total of 7,250,000 Shares were issued;
- (b) the Shares were issued at a deemed issue price of 5 cents each;
- (c) the Shares issued were fully paid ordinary shares and rank equally in all respects with the existing fully paid ordinary shares issued in the capital of the Company;
- (d) the 7,250,000 Shares were issued pursuant to the SSA (refer Paragraph 1.1 above).

## 3. ENQUIRIES

Shareholders are invited to telephone the Company on (08) 9382 1311 if they have any queries in respect of the matters set out in these documents.

## ANNEXURE A

### TERMS AND CONDITIONS OF OPTIONS

1. Each Option shall entitle the holder the right to subscribe (in cash) for one (1) Share in the capital of the Company.
2. The Options will expire at 5.00pm WST on 31 December 2004. Subject to Clause 6 hereof, Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically expire on the expiry date.
3. Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of allotment.
4. A registered owner of an Option ("Option Holder") will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.
5. Subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX, Options are transferable at any time prior to the expiry date.
6. Method of Exercise of Options
  - (a) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options ("Notice of Exercise of Options"). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.
  - (b) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of 20 cents (\$0.20) per Share.
  - (c) Subject to Clause 6(a) above hereof, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
  - (d) Within 14 days from the date the Option Holder properly exercises options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
  - (e) If the Company is listed on the ASX, the Company will within three (3) business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
  - (f) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules of the ASX, the timetable outlined in the Listing Rules shall apply.
7. In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
8. There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least 9 business days after such new issues are announced (or such other date if required under the Listing Rules of the ASX) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
9. There are no rights to change the exercise price or the number of underlying Shares.

# PROXY FORM

APPOINTMENT OF PROXY  
OPTIMA CORPORATION LIMITED  
ACN 098 455 460

## GENERAL MEETING

I/We,

Being a member of Optima Corporation Limited entitled to attend and vote at the Meeting, hereby

appoint

Name of Proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at The Celtic Club, 43 Ord Street, West Perth, Western Australia on Wednesday, 18 February 2004 at 11am (WST) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

### Voting on Business of the General Meeting

|  | FOR                      | AGAINST                  | ABSTAIN                  |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 – Issue of Options  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 – Ratification of issue of Shares                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| If you do not wish to direct your proxy how to vote, please place a mark in this box |                          |                          | <input type="checkbox"/> |

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has as interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

**YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.**

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2004

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director/Company Secretary

Signature

Director

Signature

Sole Director and Sole Company Secretary

**OPTIMA CORPORATION LIMITED**  
**ACN 098 455 460**

**Instructions for Completing 'Appointment of Proxy' Form**

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) and (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) and (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.