



ABN 36 098 455 460

2003/2004 HALF-YEAR FINANCIAL REPORT

DIRECTORS' REPORT

The directors present their report together with the consolidated financial report for the half-year ended 31 December 2003 and the auditor's review report thereon:

1. Directors

The directors of the Company during the half-year and up to the date of this report are:

<i>Name</i>	<i>Period of directorship</i>
Mr Jong Kan Foo <i>Executive Director</i>	Director since 16 October 2001
Mr Anthony Ho <i>Non-executive Director</i>	Director since 16 October 2001
Dr Yung Kuan Foo <i>Non-executive Director</i>	Director since 16 October 2001
Mr Blair Sergeant <i>Non-executive Director</i>	Appointed 29 January 2004
Mr Barry MacKinnon <i>Non-executive Chairman</i>	Director since 16 October 2001; resigned 6 February 2004.

2. Results

The loss of the consolidated entity for the half-year was \$205,515 (2002: \$426,138) after amortisation of intangibles of \$7,000 (2002: \$7,000) and income tax of nil (2002: nil).

3. Review of Activities

The Company's ongoing efforts during the period to derive a commercial return from the investment in the Optimoney activities did not encounter any success and a decision was taken to limit any further investment in that activity. The Company therefore curtailed its activity to Australia. The Company also decided at that time to review other investment opportunities.

In December 2003, the Company acquired a 100% interest in West Surfing Products (USA) Pty Ltd (WSP). WSP has an exclusive licence 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 (Licence). The Licence extends to allow WSP to sell, supply, use and exploit all of the Trade Marks and Logos owned by West Surfing Products, and to manufacture new products bearing the Logos and Trade Marks anywhere in the United States.

Dated at Perth, Western Australia, this 16th day of February 2004.

Signed in accordance with a resolution of the directors:

Anthony Ho
Director

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003**

	Note	Consolidated	
		2003 \$	2002 \$
Revenue from sale of goods		17,588	9,901
Other revenue from ordinary activities		5,193	19,802
Total revenue		22,781	29,703
Cost of sales		(12,000)	(3,475)
Administrative expenses		(62,722)	(231,529)
Marketing expenses		(39,174)	(71,837)
Occupancy expenses		(9,000)	(9,000)
Other expenses from ordinary activities		(105,400)	(140,000)
Loss from ordinary activities before income tax	2	(205,515)	(426,138)
Income tax expense relating to ordinary activities		-	-
Loss from ordinary activities after related income tax expense		(205,515)	(426,138)
Net loss attributable to outside equity interests		-	-
Net loss attributable to members		(205,515)	(426,138)
Share issue costs		(7,500)	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity recognized directly in equity		(7,500)	-
Total changes in equity from non-owner related transactions attributable to members of the parent entity		(213,015)	(426,138)
Basic earnings per share		(0.52) cents	(1.16) cents

Diluted earnings per share does not represent an inferior view of the Company's performance and is not disclosed for this reason.

The statement of financial performance is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2003

	Note	Consolidated	
		31 December 2003 \$	30 June 2003 \$
CURRENT ASSETS			
Cash assets		531,407	212,670
Receivables		17,784	20,199
Other		-	10,000
Total Current Assets		549,191	242,869
NON CURRENT ASSETS			
Receivables		-	63,841
Plant and equipment		7,930	8,947
Intangible assets		611,439	48,559
Total Non Current Assets		619,369	121,347
TOTAL ASSETS		1,168,560	364,216
CURRENT LIABILITIES			
Payables		117,045	162,185
Total Current Liabilities		117,045	162,185
NON CURRENT LIABILITIES			
Payables		100,000	-
Total Non Current Liabilities		100,000	-
TOTAL LIABILITIES		217,045	162,185
NET ASSETS		951,515	202,031
EQUITY			
Contributed equity	3	3,522,255	2,567,255
Accumulated losses		(2,570,740)	(2,365,224)
TOTAL PARENT ENTITY INTEREST		951,515	202,031
Outside equity interests		-	-
TOTAL EQUITY		951,515	202,031

The statement of financial position is to be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003**

	Consolidated	
	2003	2002
	\$	\$
Cash flows used in operating activities		
Cash receipts in the course of operations	14,148	5,723
Cash payments in the course of operations	(243,347)	(237,451)
Interest received	3,375	19,054
	(225,824)	(212,674)
Cash flows used in investing activities		
Payments for intangible assets	(50,000)	-
Cash acquired on acquisition of subsidiary	2,061	-
Loans to other entities	-	(243,841)
Payments for plant & equipment	-	(6,596)
Payments for investments in associates	-	(1,636)
	(47,939)	(252,073)
Cash flows from financing activities		
Proceeds from issue of shares	600,000	-
Transaction costs from issue of shares	(7,500)	-
	592,500	-
NET INCREASE/(DECREASE) IN CASH HELD	318,737	(464,747)
Cash at the beginning of the financial period	212,670	1,169,493
	531,407	704,746

The statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of half-year financial report

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard 1029 *Interim Financial Reporting*, the recognition and measurement requirements of applicable AASB standards and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group consensus views. This half-year financial report is to be read in conjunction with the 2003 Annual Financial Report and any public announcements made by the Company during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2003 Annual Financial Report.

The half-year report does not include full note disclosures of the type normally included in an annual financial report.

2. INDIVIDUALLY SIGNIFICANT ITEMS

Individually significant items included in the loss from ordinary activities before income tax expense:

	Consolidated	
	2003	2002
	\$	\$
Provision for doubtful loan	(63,841)	(140,000)
Optimoney Marketing rights written off	(41,559)	-

	31 December 2003	30 June 2003
	\$	\$
3. CONTRIBUTED EQUITY		
Issued and Paid-Up Capital		
56,452,501 (June 2003: 37,202,501) ordinary shares, fully paid	3,522,255	2,567,255

On 28 November 2003 Optima Corporation Ltd issued 12,000,000 ordinary shares at 5 cents each to raise \$600,000 in working capital.

On 24 December 2003 Optima Corporation Ltd issued 7,250,000 ordinary shares at a deemed price of 5 cents each in consideration for the acquisition of all the shares and options on issue in West Surfing Products (USA) Pty Ltd.

Options

The following options to subscribe for ordinary fully paid shares are outstanding at 31 December 2003:

- 37,430,832 options exercisable at 20 cents each on or before 31 December 2004.

The following options to subscribe for ordinary fully paid shares were granted during the half-year:

- 12,000,000 options exercisable at 20 cents each on or before 31 December 2004.

It is anticipated that a further 7,250,000 Options will be granted on or about 18 February 2004 in the event that shareholders approve a resolution to grant those options. These options form part of the consideration of the acquisition of the interest in West Surfing Products (USA) Pty Ltd noted above.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. SEGMENT REPORTING

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Geographical Segments

In presenting information based on geographical segments, segment revenue is based on the geographical location of customers.

	Revenue		Loss	
	Dec 2003 \$	Dec 2002 \$	Dec 2003 \$	Dec 2002 \$
Australia	22,781	29,703	(85,625)	(286,138)
United Kingdom	-	-	(56,049)	-
Asia	-	-	(63,841)	(140,000)
	22,781	29,703	(205,515)	(426,138)

5. NON-CASH FINANCING AND INVESTING ACTIVITIES

During the financial period Optima Corporation Ltd issued 7,250,000 ordinary shares at 5 cents each to the shareholders in West Surfing Products (USA) Pty Ltd (WSP) in consideration of acquiring a 100% interest in WSP. This acquisition is not reflected in the statement of cash flows.

6. ACQUISITION OF CONTROLLED ENTITY

The following controlled entity was acquired during the period:

2003

Name	Date Acquired	Consolidated Entity's Interest	Consideration	Contribution to Consolidated Net Loss
West Surfing Products (USA) Pty Ltd	24 December 2003	100%	\$362,500	(\$6,847)

2002

The consolidated entity did not gain control over any entities during the prior corresponding half year period.

7. EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2003, the Company has announced a proposed capital raising of up to \$2m through the issue of 10,000,000 fully paid ordinary shares and 10,000,000 free attaching options exercisable at 20 cents each on or before 31 December 2004 (Proposed Issue). The purpose of the Proposed Issue is to fund the development of the Company's marketing of the brand "West Surfing Products" in the United States.

The Proposed Issue and change of business focus and direction constitutes a change to the nature (and scale) of the Company's activities, to which ASX Listing Rule 11.1 applies. ASX Listing Rule 11.1 stipulates that a change in the nature or scale of a listed entity's activities requires shareholder approval. If shareholders approve the proposed change of activities, the Company will be required to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules. As part of these admission requirements, the Company must issue a prospectus and successfully complete a capital raising at a minimum of 20 cents per share. The Company has requested a voluntary suspension of trading in its securities on ASX until the Proposed Issue is completed and the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules have been satisfied.

DIRECTORS' DECLARATION

In the opinion of the directors of Optima Corporation Limited:

1. the financial statements and notes set out on pages 3 to 7 are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2003 and of its performance, as represented by the results of its operations and cash flows for the financial period ended on that date; and
 - (b) complying with Accounting Standard AASB 1029 "Interim Financial Reporting"; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Perth, Western Australia, this 16th day of February 2004.

Signed in accordance with a resolution of the Directors:

Anthony Ho
Director



Chartered Accountants
& Business Advisers

Level 7, BGC Centre
28 The Esplanade
Perth WA 6000
PO Box Z5066
Perth St Georges Tce
Western Australia 6831

Tel: (08) 9278 2222
Fax: (08) 9278 2200

www.pkf.com.au/wa

INDEPENDENT REVIEW REPORT

To the members of

Optima Corporation Limited
A.B.N. 36 098 455 460

Scope

We have reviewed the financial report of Optima Corporation Limited for the half-year ended 31 December 2003. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities that it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than is given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Optima Corporation Limited is not in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) Giving a true and fair view of the company's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
 - (ii) Complying with the Accounting Standard AASB 1029: Interim Financial Reporting and the Corporation Regulations 2001; and

- (b) Other mandatory professional reporting requirements in Australia.

PKF

Chartered Accountants

IAN P OLSON

Partner

Dated at Perth this 16th day of February 2004