



**ONE ASIA RESOURCES LIMITED
ACN 150 653 982**

- **ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING**
- **COMPLETION OF SALE OF 33.3% INTEREST IN THE PANI JV**
- **TAX TREATMENT OF IN SPECIE DISTRIBUTION**

DISTRIBUTION OF NOTICE OF MEETING AND ANNUAL REPORT

On 8 May 2018 One Asia dispatched to shareholders its 2017 Annual Report and Notice of the Annual General Meeting . The 2017 Annual Report and Notice of Meeting can be downloaded from the Company's web site www.oneasiareources.com.

The meeting will be held at Level 2, 175 Flinders Lane, Melbourne on Thursday 31 May 2018 at 11am (Melbourne time).

TRANSACTION UPDATE

As announced on 12 April 2018, the shareholders of One Asia approved the capital return of the Lion Consideration Securities to One Asia shareholders. All other conditions precedent of the Transaction having been satisfied or waived, the sale of One Asia's 33.3% interest in the Pani Joint Venture was completed on 17 April 2018, including the distribution of the Lion In-Specie Securities to One Asia shareholders. Holding statements were dispatched to One Asia shareholders on 18 April 2018.

The Lion shares and options issued under the in-specie distribution are quoted on the Australian Securities Exchange under the symbols LSX and LSXOA respectively.

Following completion of the sale of One Asia's 33.3% interest in the Pani Joint Venture, the Company is reviewing its corporate cost structure in light of reduced corporate activities. All management and director fees are being reduced in line with reduced corporate activity. In addition, the Company is reviewing overall corporate costs.

The Company is exploring other business opportunities and will inform shareholders of any developments.

TAX TREATMENT OF IN SPECIE DISTRIBUTION

The One Asia Notice of Meeting dated 13 March 2018 included the general information with respect to the taxation consequences for One Asia and shareholders, set out in section 3.13. This section is included below for reference.

One Asia has determined an internal valuation for the Lion Shares and Lion Options on the Effective Date (being 17 April 2018, the date of the distribution of the In-specie Securities to Eligible Shareholders was effected) as follows:

In-specie Security	Value	Comment
Lion Shares	33 cents per Lion Share	Closing Price (source: IRESS)
Lion Options	5.5 cents per Lion Option	Black and Scholes valuation of the Lion Options estimated based on closing price of 33 cents per Lion Share.

The Company is not seeking a tax ruling in relation to these matters (including the internal valuation above) and it is possible that the Commissioner of Taxation may adopt an alternative view.

Extract from One Asia Resources Notice of Meeting – Section 3.13

Taxation Consequences

Taxation implications for Australian tax resident Shareholders

The following information set out below is general in nature and should not be relied upon as advice. The income tax implications for individual shareholders will depend on the circumstances of the particular Shareholder. All Shareholders should therefore seek their own professional advice in relation to their tax position. Neither One Asia nor any of its officers, employees or advisers assumes any liability or responsibility for advising Shareholders about the tax consequences of the return of capital to Shareholders.

Unless the Commissioner of Taxation makes a determination that all or part of the capital reduction amount should be treated as an unfranked dividend, it is expected that Shareholders who hold their In-Specie Securities on capital account and who continue to hold their Shares on the payment date are likely to be treated as follows:

- For Shareholders who are tax residents of Australia and who hold their In-Specie Securities on capital account for tax purposes:
 - a) the return of capital to shareholders should not be an assessable dividend on receipt;
 - b) Shareholders will only make a capital gain if the Capital Return associated with the distribution of the In-Specie Securities (**capital reduction amount**) exceeds the cost base of their Shares;
 - c) the cost base and reduced cost base of the Shares will be reduced by the capital reduction amount;
 - d) the cost base and reduced cost base of the In-Specie Securities will be equal to their market value on the Effective Date;
 - e) for CGT purposes, Shareholders will be taken to have acquired their In-Specie Securities on the Effective Date; and
- Shareholders who are not tax residents of Australia and who hold their In-Specie Securities on capital account for tax purposes should have no immediate Australian income tax liability from the return of capital to shareholders.

If the Commissioner of Taxation so determines, the capital reduction amount may be treated (in whole or in part) as an unfranked dividend for Australian tax purposes. In that case, Australian tax resident Shareholders will be required to include the part of the capital reduction amount determined to be an unfranked dividend in their assessable income, and non-resident Shareholders will be required to pay withholding tax on that part of the capital reduction amount.

The Company is not seeking a tax ruling in relation to these matters and it is possible that the Commissioner of Taxation may adopt an alternative view.

Please feel free to contact Adrian Rollke on +62 815 904 6664 or via email arollke@oneasiareources.com if you would like to discuss the transaction.

INVESTOR RELATIONS

The Company welcomes shareholder feedback, and any questions or comments should be addressed via email info@oneasiareources.com.

SHARE REGISTRY

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Disclaimer

All statements in this Shareholder Update, other than statements of historical fact, that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although One Asia Resources Limited, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of regulatory approvals, and general economic, market or business conditions.

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