

MILLENNIUM LIMITED

(Formerly known as Yanghao International Limited)

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

ABN 52 133 453 531

Registered Address
9U, 175 Lower Gibbes Street
CHATSWOOD NSW 2067
Australia.

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CORPORATION INFORMATION

This annual report covers both Millennium Limited, “MHD” (formerly: Yanghao International Limited, or “YHL”) (ABN 52 133 453 531) as an individual entity (‘the Company’) and its subsidiaries (together referred as ‘the Group’).

Directors

Mr. Wei Huang
B.Ec, M. Com

Mr. Jiang Song
Dip. Business Administration

Ms. Ying Liu Huang
B.Ec, M. Com

Ms. Yan Yang
Dip. Civil Engineering

Executive Chairman
Appointed on 28 November 2008

Executive Director
Appointed on 7 September 2015

Non-Executive Director
Appointed on 26 November 2015

Non-Executive Director
Appointed on 21 May 2014

Company Secretary

Ms Ying Liu Huang - Appointed from 26th November 2015

Registered Office

9U, 175 Lower Gibbes Street
Chatswood NSW 2067

Legal Advisors

Cornwall Stodart
Level 10, 114 William Street
Melbourne VIC 3000

Share Register

Computershare Investor Securities Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000

Principal Place of Business

Unit 9U, 175 Lower Gibbes Street
Chatswood NSW 2067

Bankers

Westpac Banking Corporation
Haymarket, 671-675 George Street
Sydney NSW 2000

Auditors

Grant Thornton Audit Pty Ltd
Level 3, 170 Frome Street
Adelaide SA 5000

DIRECTORS' REPORT

Your Directors submit their report together with the consolidated financial statements of the Group consisting of Millennium Limited as the parent entity and the entities it controlled at the end of, or during, the year ended 30 June 2017.

Principal Activities

The Group currently focuses on the expansion of new business operations and property investment post the completion of restructure process. During the year, rental income was derived from the investment property.

Operating Results and Review of Operations

For the year ended 30 June 2017, Millennium Ltd ("the Company and its controlled entities (Group), made net profit of \$8,928,465 as a result of the net gain from the disposal of China operations of \$9,433,643 (2016: net loss of \$1,516,045).

The Group's operating result reflected the completion of the restructuring activities. During the financial year, 100% of the shares in Millennium Tower Limited, holding company of Group's China operations was sold to Super Global Textile Limited, a wholly owned subsidiary of Zhongsha Construction Co. Ltd. The Company's management and Board are focusing on rebuilding the Group's business operations through business expansion and new investment.

During this financial year, approximately \$1.2 million (net of issuance costs) was raised through rights issue. The funds were used to purchase an investment property in Queensland. Revenue was derived from rental income of existing leases. Following the disposal of the China operations, the Group will not be receiving any ongoing management fees from related Chinese entities.

Company Name Change

Subsequent to the divestment of China operations, the Group changed its name from Yanghao International Limited to Millennium Limited on 22 August 2017 to better reflect the jurisdiction of the Group's principal business operations being Australia.

Financial Position

The Company's net asset position changed from net liability of \$8,636,688 (2016) to net asset of \$496,079 (2017) mainly due to the divestment of China operations and property purchase.

Future Developments, Prospects and Business Strategies

Following the completion of the restructuring, the Board is confident that it will pursue a sustainable business model to generate further revenue and profit from the following operations and corporate strategies:

- Revenue stream from existing property investment
- Potential expansion of trading business
- New investment and property development

The Group expects to further improve its financial position and performance in the next financial year with an expanded business and partnerships. The board is positive Millennium Ltd will emerge a stronger and resilient company that can fully take advantage of the synergy and business opportunities in Australia and internationally.

DIRECTORS' REPORT

Risk Management

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis, and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Significant Changes in State of Affairs

On 26 June 2017 the Company and Super Global Textile Limited, a wholly owned subsidiary of Zhongsha Construction Co. Ltd. entered into a conditional sale and purchase agreement (SPA) for the sale by the Company and the purchase by Super Global Textile Ltd of all of the shares in Millennium Tower Limited (MTL) for a nominal price of A\$1.00. The transaction was approved at the General meeting held on 11 August 2017 and completed. The effect of the transaction is that MTL and all members of the MTL Group cease to be subsidiaries of the Company.

With the divestment of Group's China operations, it was appropriate that the Company have a name that reflected the jurisdiction of its principal business operations. On 22 August 2017, the Company changed its name from Yanghao International Limited (YHL) to Millennium Limited (MHD).

On 5 September 2017, the Company issued \$1,500,000 convertible notes to Regent Developments Pty Ltd. The convertible notes consist of the conversion of the \$1,000,000 management loan as at 30 June 2017 used in the purchase of company's investment property in Queensland and an additional \$500,000 of working capital. Regent is controlled by Mr Wei Huang and Mr Kin Lam both of whom are substantial shareholders in the Company. Mr Wei Huang is the Executive Chairman of the company.

Dividends

After consideration of the full-year trading results, the Board has resolved that no dividends will be paid in respect of the financial year ended 30 June 2017.

Events after the Reporting Period

On 22 August 2017, The Company changed its name from Yanghao International Limited to Millennium Limited to reflect jurisdiction of its principle business operations post the divestment of Group's China operations.

On 5 September 2017, the Company issued 1,500,000 convertible notes with the face value of \$1 per note. Interest is payable and compounding monthly in arrears at 9% pa. The notes mature on 30 June 2020, conversion is available on notice prior to maturity to fully paid ordinary shares at \$0.04 per share. The convertible notes consist of the conversion of \$1,000,000 management loan (Refer Note 12) and an additional \$500,000 working capital.

Environmental Regulation and Performance

The Group's Australian operating company, Millennium Ltd, has not breached any specific environmental regulations in the course of its operations.

DIRECTORS' REPORT

Information on the Directors

The following persons were directors of the Company during the financial year and up to the date of this report:

Ms Yan Yang	(appointed on 21 May 2014)
Mr Wei Huang	(appointed on 28 November 2008)
Ms Ying Liu Huang	(appointed on 26 November 2015)
Mr Jiang Song	(appointed on 7 September 2015)

Names, Qualifications, Experience and Special Responsibilities

Mr Wei Huang – Managing Director, Chief Executive Officer and Chairman

B.Ec, M. Com

Mr Wei Huang graduated with a Bachelor of Economics from Macquarie University and a Master of Commerce from the University of New South Wales. Mr Huang has experience in financial control, new business start-ups and development within the textile, retail, financial services, construction and mining sectors in Australia and internationally.

Mr Wei Huang does not hold directorships in any other listed company

Ms Yan Yang – Non-Executive Director

B Civil Engineering

Ms Yang has a Bachelor degree in Civil Engineering from the University of Zhejiang. She has been a vice-President of Zhejiang Zhongsha Construction Group Co Ltd since July 1999 and is currently President of Zhejiang Zhongsha Construction Group Co Ltd. Zhejiang Zhongsha Construction Group Co Ltd is one of connected shareholder of YHL.

Ms Yang does not hold directorships in any other listed company.

Mr Jiang Song –Executive Director

Dip. of Bus, Zhejiang Changjiang Technical College

Ms Song is currently the Commercial Director of Zhejiang Yanghao Import and Export Co., Ltd and has been with the Yanghao since 2011. Mr Song graduated with a Diploma in Business Administration from Zhejiang Changjiang Technical College.

Mr Song does not hold directorships in any other listed company.

Ms Ying Liu Huang - Non-executive Director and Company Secretary

B.Ec, M. Com

Ms Huang holds both Bachelor and Master degrees in Professional Accounting; Ms Huang is a qualified Certified Practising Accountant, also holds a Diploma in Management. With over 20 years of corporate experiences, Ms Huang worked in a major international IT company over the past 20 years, she has held many senior management positions locally and across Asia Pacific regions, including General Manager, Business Development Executive and Business and Alliance Managers. She has strong business knowledge in the Asia Pacific market; she also specialised in business operations, process transformation and financial management.

Ms Ying Huang does not hold directorship in any other listed company.

DIRECTORS' REPORT

Meetings of Directors

During the financial year, 3 meetings of directors were held. Attendances by each director during the year were as follows:

	Number of Meetings eligible to attend	Number of Meetings attended
Yan Yang	2	2
Jiang Song	2	2
Ying Liu Huang	3	3
Wei Huang	3	3

Nomination and Remuneration Committee

The Board has established a formal charter for the Nomination and Remuneration Committee. The present members of the Nomination and Remuneration Committee are Mr Jiang Song, Ms Yan Yang and Mr Wei Huang. No meetings were held during the year.

Audit and Risk Committee

The Board has established a formal charter for the Audit and Risk Committee. The present members of the Audit and Risk Committee are Ms Ying Liu Huang, Mr Jiang Song and Mr Wei Huang. No meetings were held during the year.

The responsibilities of the sub committees have been covered by the full board during the year.

Indemnification and Insurance of Directors and Officers

The Company has entered into a Deed of Indemnity, Insurance and Access with each director. Under the Deed, the Company indemnifies the directors to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the directors, in connection with their offices or a breach by the Company of its obligations under the Deed.

The Company has paid a premium of \$61,361 to insure the directors and officers against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director and officer of the Company / Group, other than conduct involving a wilful breach of duty in relation to the Company.

DIRECTORS' REPORT

Share Options

As at the date of this report, there are no options to acquire shares in the Company on issue.

Directors' Interests

As at the date of this report, the interests of the directors in the shares of Millennium Ltd were as follows:

	Direct Interest Number of Ordinary Shares	Indirect Interest Number of Ordinary Shares	Total
Yan Yang	11,807,206	-	11,807,206
Ying Liu Huang	754,000	-	754,000
Wei Huang	28,353,495	754,000*	29,107,495
Jiang Song	-	-	-

*Wei Huang has indirect interest in Waytex Australia Pty Ltd.

Remuneration Report (Audited)

Remuneration Philosophy

The Board of Directors is responsible for determining remuneration policies applicable to directors and key management personnel. The broad policy is to ensure that remuneration properly reflects the individuals' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. At the time of determining remuneration for the ensuing year consideration is given by the Board to the Company's financial performance.

The Constitution of the Company provides that the remuneration of non-executive directors will not be more than the aggregate fixed sum of \$500,000 or such other amount determined by a general meeting of shareholders.

Key Management Personnel remuneration

The Board currently determines the nature and amount of remuneration for board members and executives of the Company. The policy is to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component. No element of the remuneration is performance related.

Non-executive directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred as a consequence of their attendance at meetings of directors and otherwise in the execution of their duties as directors.

All remuneration paid to directors and other key management personnel (KMP's) is expensed as incurred. KMP's are also entitled to participate in the Company's share option plan.

DIRECTORS' REPORT

Remuneration Report (Audited) Cont.

Nomination and Remuneration Committee

The Board established a formal charter for the Committee in 2009. The responsibilities of the Nomination and Remuneration Committee are to:

- periodically determine the appropriate mix of experience and expertise required on the Board, assess the extent to which the Board comprises those skills, and review Board succession plans, given the structure of the Company's management team and the international nature of the Company's operations;
- make recommendations to the Board for the appointment and removal of Directors;
- evaluate the Board's performance, including by reference to key performance indicators of the Company; and
- ensure that directors and management are remunerated fairly, by overseeing the remuneration and human resource policies and practices of the Company.

The Nomination and Remuneration Committee may obtain information from and consult with management and external advisers, if it considers appropriate.

No consultation with remuneration consultants was held during the year.

Employment Contracts

The directors and other key management personnel are employed on an on-going basis. The employment can be terminated early by either party with one month's notice. There are no contractual retirement benefits, and no contractual termination payments are payable on early termination.

Name	Base salary \$	Term of agreement	Notice period
Directors			
Wei Huang	39,000	1 year	1 month
Ying Liu Huang	39,000	1 year	1 month
Yan Yang	-	1 year	1 month
Jiang Song	-	1 year	1 month

(1) Directorship appointment is on annual basis and renewable upon re-election / election at AGM.

Voting and comments made at the Company's 2016 Annual General Meeting

Millennium Ltd received 99.88% of 'yes' votes on its remuneration report for the financial year ended 30 June 2016. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

DIRECTORS' REPORT

Directors and other Key Management Personnel remuneration

	Year	Short term employee benefits			Post-employment benefits		Total
		Director Fee	Other Services	Non-monetary benefits	Superannuation	Long service leave	
Directors							
Wei Huang Managing Director, Chairman and Chief Executive Officer (Appointed 11 August 2017)	2017	39,000	-	-	-	-	39,000
	2016	39,000	-	-	-	-	39,000
Ying Liu Huang ⁽⁴⁾ Non-executive Director and Company Secretary (Appointed 26 November 2015))	2017	39,000	27,000	-	-	-	66,000
	2016	22,750	15,750	-	-	-	38,500
Yan Yang ⁽¹⁾ Non-executive Director (Appointed 11 August 2017)	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
Jiang Song ⁽¹⁾ Executive Director (Appointed 21 May 2014)	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
Key Management Personnel							
Shengfeng Zhou ⁽²⁾ Former General Manager	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
Cathy Guo ⁽³⁾ Former Company Secretary (Resigned 26 November 2015)	2017	-	-	-	-	-	-
	2016	15,709	14,983	-	-	-	30,692
2017 Total		78,000	27,000	-	-	-	105,000
2016 Total		77,459	30,733	-	-	-	108,192

1. Ms Yan Yang and Mr Jiang Song were not remunerated by the company. The executive directors have agreed to not draw benefits from the company during the restructure process.
2. Mr Sheng Feng Zhou is not remunerated by the group for work performed. Remuneration was paid by a related entity of Mr. Jiang Song (Yanghao Import & Export Ltd). Mr Sheng Feng Zhou was the General Manager of the Group disposed China subsidiaries (Refer Note 4).
3. Company secretarial and accounting fees of \$14,983 were paid to Addsum Accountants in addition to director fees. Ms Jing Guo (Cathy) is a partner of Addsum Accountants.
4. Company secretarial and accounting fees of \$27,000 were paid to Ms Ying Huang in addition to director fees.

DIRECTORS' REPORT

Movement in directors' and other KMPs' interests in Shares

	Opening balance	Rights issue	Net Change Other	Closing balance	% of Total Shares on Issue
Directors					
Wei Huang Managing Director, Chairman and Chief Executive Officer (Appointed 11 August 2017)	-	14,713,495 ⁽¹⁾	13,640,000 ⁽²⁾⁽³⁾	28,353,495	19.99%
Ying Liu Huang Non-executive Director and Company Secretary (Appointed 26 November 2015)	4,000	750,000 ⁽⁴⁾		754,000	0.55%
Yan Yang Non-executive Director (Appointed 11 August 2017)	11,807,206	-	-	11,807,206	8.55%
Jiang Song Executive Director (Appointed 21 May 2014)	-	-	-	-	-
Key Management Personnel					
Shengfeng Zhou Former General Manager	-	-	-	-	-

- On 10 May 2017, 14,713,495 shares were purchased as part of the rights issue of which 754,000 is held indirectly through Waytex Australia Pty Ltd (Wei Huang holds 100% shareholding interest).
- On 22 September 2016, 4,440,000 shares previously held by Zhongsha Construction Group Co., Ltd. (controlled by Yang Yan) were transferred to Wei Huang through an off market transfer.
- On 24 November 2016, 9,200,000 shares previously held by Chun Gang Ren were transferred to Wei Huang through an off market transfer.
- On 10 May 2017, 750,000 shares were purchased from rights issue

Rights Issue

On 10 May 2017, The Company issued a 1 for 1 renounceable rights issue of 69,031,119 ordinary shares (New Shares) at an issue price of \$0.02 per New Share to raise approximately \$1.38m before expenses. The funding was used towards the purchase of investment property in Queensland.

The company does not have any share options or other equity on issue (2016: nil).

DIRECTORS' REPORT

Remuneration Report (Audited) Cont.

Related Party Balances

	Consolidated Group	
	2017	2016
	\$	\$
Related Party Receivables from		
Zhejiang Yanghao Import and Export Co., Limited ⁽¹⁾	-	1,498,886
Zhongsha Construction Group Co., Limited ⁽²⁾⁽³⁾	-	2,520,545
	-	4,019,431
Related Party Payable to		
Jie Yang, Former Director ⁽⁴⁾	144,955	139,970
Kingchan International Development Co., Limited ⁽⁵⁾	-	212,470
Millennium Property Investments Pty Ltd ⁽⁶⁾	1,000,000	
	1,144,955	352,440

Related Party Transactions

	Consolidated Group	
	2017	2016
	\$	\$
Zhejiang Yanghao Import & Export Co., Limited ⁽¹⁾	15,174	31,348
Addsum Accountants ⁽⁷⁾	-	(21,666)
Super Global Textile Limited ⁽⁸⁾		
Proceed from disposal of Millennium Towers Limited	1	-
Net liabilities disposed of Millennium Towers Limited	8,477,822	-
Shaoxing Guangsha Knitting Textile & Garments Ornament Co., Limited ⁽⁴⁾	-	139,013
Zhejiang Aurora PV Solar Co., Limited ⁽⁹⁾	-	32,354
Transfer of funds from related party during the year:		
Jie Yang ⁽⁵⁾	4,985	139,970
Kingchan International Development Co., Limited ⁽⁵⁾	-	212,470
Millennium Property Investments Pty Ltd ⁽⁶⁾	1,000,000	-

- (1) Related entity of Jiang Song, Director of the Group. The balance related to sales of property, plant and equipment. Zhejiang Don Dragon Import and Export Co., Ltd. sold the asset held for sale to YIE in the prior year. This amount represents proceeds receivable from YIE after netting off the amount due to YIE.
- (2) Related entity of Yan Yang, Managing Director of the Group
- (3) In prior year the group sold its property, plant and equipment to Zhongsha Construction and Yanghao Import & Export Ltd. This amount represents proceeds receivable from Zhongsha Construction after netting off with amount due to them.
- (4) Balance represents cash provided to the Australian parent from Jie Yang (former director) via external parties to support the operation.
- (5) Related party of Shengfeng Zhou, General Manager of Millennium Tower Limited.
- (6) Balance represents a management loan provided by related entity of significant shareholder, Kin Lam and Director, Wei Huang. The loan was subsequently replaced by convertible notes issued to Regent Developments Pty Ltd on 5 September 2017, which is an associate of Kin Lam and Wei Huang.
- (7) Company secretarial service and accounting fee paid to Addsum Accounting, a related entity of Cathy Guo, formal Non-Executive Director and formal Company Secretary of the Group.
- (8) Super Global Textile is a related entity of Zhongsha Construction Group, related entity of Yan Yang (Director) which was the purchaser of the Group's China operations. Refer Note 4.
- (9) Electricity bill paid on behalf of related parties of Yan Yang (Director) in prior period

End of Remuneration Report

DIRECTORS' REPORT

Auditor Independence and Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the service disclosed below did not compromise the general principles relating to external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year, the following fees were paid/payable for non-audit services provided by the auditor of the parent entity.

	Consolidated Group	
	2017	2016
	\$	\$
Taxation compliance	3,500	3,200
Independent expert report	35,000	-

The Auditor's Independence declaration for the year ended 30 June 2017 has been received and can be found at page 12 of this report.

Signed in accordance with a resolution of the Directors.



Wei Huang
Managing Director, Chairman

29 September 2017

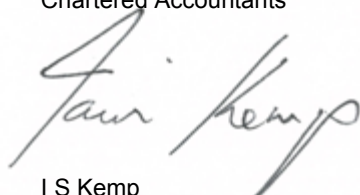
Grant Thornton House
Level 3
170 Frome Street
Adelaide, SA 5000
Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration To the Directors of Millennium Limited (Formerly Known as Yanghao International Limited)

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Millennium Limited (Formerly known as Yanghao International Limited) for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.


GRANT THORNTON AUDIT PTY LTD
Chartered Accountants
I S Kemp
Partner - Audit & Assurance

Adelaide, 29 September 2017

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CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Millennium Limited and its Controlled Entities ('the Group') have adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ending 30 June 2017 is dated as at 30 June 2017 and was approved by the Board on 30 September 2017. The Corporate Governance Statement is available on Millennium Limited website at www.millenniumltd.com.au

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	Consolidated Group	
		2017 \$	2016 \$
Revenue – continuing operations	5	16,490	-
Other income		65	12
Administrative expenses	6	(486,849)	(382,162)
Finance costs		(34,884)	(286)
Profit/(loss) before income tax		(505,178)	(382,436)
Income tax expense	7	-	-
(Loss) from continuing operations		(505,178)	(382,436)
Profit (Loss) after income tax expense from discontinuing operations	4	9,433,643	(1,133,609)
Profit (Loss) for the year	6	8,928,465	(1,516,045)
Other comprehensive (loss)/income for the year, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		400,270	367,983
Derecognition of surplus reserve		(67)	-
Derecognition of foreign currency reserve		(1,397,229)	-
Total comprehensive income attributable to owners of the parent		7,931,439	(1,148,062)
Earnings (loss) per share from continuing operations attributable to the owners			
Basic and diluted (cents)	8	(0.62)	(0.55)
Earnings (loss) per share from discontinuing operations attributable to the owners			
Basic and diluted (cents)	8	11.62	(1.64)
Earnings (loss) per share attributable to the owners			
Basic and diluted (cents)	8	11.00	(2.20)

This statement should be read in conjunction with the notes to the financial statements.

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	Consolidated Group 2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	34,342	77,856
Trade and other receivables	11	13,942	4,019,431
Other current assets		23,042	47,251
TOTAL CURRENT ASSETS		71,326	4,144,538
NON-CURRENT ASSETS			
Investment property	13	3,414,700	-
Deferred tax assets		-	7,772,276
TOTAL NON-CURRENT ASSETS		3,414,700	7,772,276
TOTAL ASSETS		3,486,026	11,916,814
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,383,051	2,814,487
Current tax payable		-	10,335
Borrowings	14	-	9,956,404
TOTAL CURRENT LIABILITIES		1,383,051	12,781,226
NON-CURRENT LIABILITIES			
Borrowings	14	1,606,896	-
Deferred tax liabilities		-	7,772,276
TOTAL NON-CURRENT LIABILITIES		1,606,896	7,772,276
TOTAL LIABILITIES		2,989,947	20,553,502
NET ASSETS (LIABILITIES)		496,079	(8,636,688)
EQUITY			
Issued capital	15	11,790,449	10,589,121
Accumulated losses		(11,294,370)	(20,542,263)
Reserves	16	-	1,316,454
TOTAL EQUITY (DEFICIT)		496,079	(8,636,688)

This statement should be read in conjunction with the notes to the financial statements.

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEAR ENDED 30 JUNE 2017

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total \$
Balance as at 1 July 2015	10,589,121	(19,026,218)	948,471	(7,488,626)
Total profit or loss for the year	-	(1,516,045)	-	(1,516,045)
Other comprehensive income	-	-	367,983	367,983
Total comprehensive income for the year	-	(1,516,045)	367,983	(1,148,062)
Balance as at 30 June 2016	10,589,121	(20,542,263)	1,316,454	(8,636,688)
Balance as at 1 July 2016	10,589,121	(20,542,263)	1,316,454	(8,636,688)
Total profit or loss for the year	-	8,928,465	-	8,928,465
Write back of equity accounts relating to disposed operations	-	-	(1,397,296)	(1,397,296)
Other comprehensive income	-	-	400,270	400,270
Total comprehensive income for the year	-	8,928,465	(997,026)	7,931,439
Transactions with owners in their capacity as owners				
Issuance of share capital	1,380,622	-	-	1,380,622
Issuance cost	(179,294)	-	-	(179,294)
Transfer to accumulated losses from share option reserve		319,428	(319,428)	-
Balance as at 30 June 2017	11,790,449	(11,294,370)	-	496,079

This statement should be read in conjunction with the notes to the financial statements.

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR FINANCIAL YEAR ENDED 30 JUNE 2017

	Notes	Consolidated Group 2017	2016
		\$	\$
Cash Flows from operating activities			
Receipts from customers		78,456	31,336
Payments to suppliers and employees		(466,149)	(452,158)
Interest received		215	12
Finance costs		(726)	(286)
Net cash used in operating activities	22	(388,204)	(421,096)
Cash Flows from investing activities			
Outflow from disposed operation		(64,002)	-
Purchase of property, plant and equipment		(3,414,700)	-
Net cash from investing activities		(3,478,702)	-
Cash Flows from financing activities			
Proceed from rights issue		1,380,622	-
Payment for issuance cost related to rights issue		(162,782)	-
Proceed from borrowings		1,572,278	-
Loan from related parties		1,004,985	413,100
Net cash from financing activities		3,795,103	413,100
Net decrease in cash and cash equivalents		(71,803)	(7,996)
Cash and cash equivalents at beginning of financial year		77,856	106,350
Effect of exchange rate changes		28,289	(20,498)
Cash and cash equivalents at end of financial year	10	34,342	77,856

This statement should be read in conjunction with the notes to the financial statements.

NOTES TO FINANCIAL REPORT

These consolidated financial statements and notes represent those of Millennium Limited ("the Company") and controlled entities (the "Consolidated Group" or "Group").

NOTE 1. GOING CONCERN

As at 30 June 2017, the Group total current liabilities exceeded its total current assets by \$1.31 million. The consolidated entity's ability to continue as a going-concern is contingent upon the continued financial support of related parties and/or capital injection.

If the continued financial support of related parties is not maintained, rental income not sustained and/or capital are not injected, the going concern basis of accounting may not be appropriate, as a result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and in amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

The Directors believe the Group will continue to receive support from related parties and be successful in sourcing funds to maintain its on-going operations and hence have prepared the financial statements on a going-concern basis.

NOTE 2. NAME CHANGE

The Group held a General Meeting on 11 August 2017 where approval was sought from shareholders to change the name of the Company to Millennium Limited (formerly Yanghao International Limited). The Directors consider that it was more appropriate to change the Company name to more appropriately reflecting the jurisdiction of its principal business operations. The Group's business activities are now predominantly Australia based. The motion was passed at the General Meeting and the Group effectively changed its name to Millennium Limited on 6 September 2017.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Millennium Limited is a for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements for the year ended 30 June 2017 (including comparatives) were approved and authorised for issue by the Board of Directors on 29 September 2016.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

NOTES TO FINANCIAL REPORT

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Millennium Limited at the end of the reporting period. A controlled entity is any entity over which Millennium Limited has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 17 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

b. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognized outside profit or loss. Except for business combinations, no deferred income tax is recognized from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognized only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilized.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognized where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

NOTES TO FINANCIAL REPORT

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Leased Assets

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

Group entity as lessee

Finance leases are capitalized by recognizing an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognized as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognized as a liability and amortized on a straight-line basis over the lease term.

Group entity as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

d. Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

NOTES TO FINANCIAL REPORT

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

e. Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognized when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Effective interest rate method

The effective interest method is a method of calculating the amortized cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or, where appropriate, a shorter period.

De-recognition

Financial assets are derecognized where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognized where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognized in profit or loss.

NOTES TO FINANCIAL REPORT

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

e. Financial Instruments (cont.)

Classification and subsequent measurement (cont.)

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realized and unrealized gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost using the effective interest rate method.

(iii) Held-to-maturity investments

These investments have fixed maturities, and it is the Group's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortized cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly in equity.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost using the effective interest rate method.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognized in profit or loss.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance are recognized in profit or loss.

NOTES TO FINANCIAL REPORT

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

e. Financial Instruments (cont.)

Classification and subsequent measurement (cont.)

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognized directly in the financial assets reserve in other comprehensive income.

f. Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g. Investment Property

Investment property is held to earn revenue from rentals and/or for the purposes of capital appreciation. Investment property includes all directly held freehold and leasehold properties but excludes owner-occupied properties. There is no property interests held under operating leases accounted for as investment property.

Investment property is initially recognized at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value.

Changes in value of investment property are taken directly to the Profit or Loss statement and may comprise changes in fair value from revaluation of investment property, and fair value adjustments in relation to:

- The straight-lining of fixed rental income
- Tenant incentives including rent-free periods and landlord and tenant owned fit-out contributions
- Capitalized leasing fees.

The process adopted to determine fair values for investment properties is set out in Note 13.

NOTES TO FINANCIAL REPORT

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

h. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognized in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized directly in other comprehensive income to the extent that the underlying gain or loss is recognized in other comprehensive income; otherwise the exchange difference is recognized in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

i. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

NOTES TO FINANCIAL REPORT

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

j. Provisions

Provisions are recognized when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

l. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the rental is recognized at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognized using the effective interest rate method.

Dividend revenue is recognized when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognized only to the extent that related expenditure is recoverable.

Investment property revenue is recognized on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net in accordance with the Group's accounting policy outlined in Note 3(c).

All revenue is stated net of the amount of goods and services tax (GST) or Value Added Tax (VAT).

NOTES TO FINANCIAL REPORT

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

n. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST and VAT, except:

- when the GST or VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST or VAT is recognized as part of the cost of acquisition of the asset or as part of the expense items as applicable; and
- receivables and payables are stated inclusive of the amount of GST/VAT.

Receivables and payables are stated inclusive of the amount of GST/VAT receivable or payable. The net amount of GST/VAT recoverable from, or payable to, the tax authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed net of the amount of GST and VAT recoverable from, or payable to, the taxation authority.

o. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO FINANCIAL REPORT

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

p. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

(i) *Income taxes*

The group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

In determining the tax position for the prior financial year, the Group has assumed that prior year losses generated in the PRC entities as a result of the restructure process will be sufficient to offset current period taxable profits. At this stage the tax position of the PRC entities is unable to be determined with any degree of certainty.

(ii) *Impairment of financial assets*

The Group assess impairment at each reporting date by evaluation conditions specific to the Group that may lead to impairment of financial assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgement

(i) *Disposal of China operations.*

The management concluded that the control of Millennium Tower Limited has effectively been lost by 30 June 2017 as a result of the conferral of irrevocable power of attorneys on 27 June 2017 to allow for the passing on motion to dispose the China operations at General Meeting held on 11 August 2017. Hence, the transaction is therefore being accounted for as a discontinued operation as at 30 June 2017. Refer Note 4.

q. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

r. Adoption of new and revised accounting standards

In the current year, there are no new and/or revised Standards and Interpretations adopted in these Financial Statements affecting presentation or disclosure and the reported result or financial position.

NOTES TO FINANCIAL REPORT

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

s. New Accounting Standards and Interpretations issued but not yet effective and not being adopted early by the Group

At the date of authorisation of the Financial Statements, a number of Standards and Interpretations were on issue but not yet effective. In the Directors' opinion, the following Standard on issue but not yet effective are most likely to impact the amounts reported by the Group in future financial periods:

Standard / Interpretation	Effective for annual periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15 Revenue from Contracts with Customers This standard modifies the determination of when to recognise revenue and how much revenue to recognise. The core principle is that an entity recognises revenue to depict the transfer of promised goods and services to the customer of an amount that reflects the consideration to which the entity expects to be entitled to exchange for those goods or services.	1 January 2018	30 June 2019
AASB 16 'Leases' This standard requires lessor to account for leases under an on-balance sheet model, with the distinction between operating and finance leases being removed. The standard provides certain exemptions from recognising leases on the balance sheet, including where the underlying asset is of low value or the lease term is 12 months or less/ Under the new standard, the Group will be required to: <ul style="list-style-type: none"> • Recognise right of use lease assets and lease liabilities on the balance sheet. Liabilities are measured based on the present value of future lease payments over the lease term. The right of use lease asset generally reflects the lease liability; • Recognise depreciation of right to use lease assets and interest on lease liabilities over the lease term; • Separately present the principal amount of cash paid and interest in the cash flow statement as a financing activity. 	1 January 2019	30 June 2020
AASB 9 Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2014-1 Amendments to Australian Accounting Standards (Part E- Financial Instruments), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014). This standard modifies the classification and measurement of financial assets: It includes: <ul style="list-style-type: none"> • A single, principles-based approach for the classification of financial assets, which is driven by cash flow characteristics and the business model which an asset is held; • A new expected credit loss impairment model requiring expected losses to be recognised when financial assets are first recognised; • A modification of hedge accounting to align the accounting treatment with risk management practices of an entity. This may result in the increased application of hedge accounting. 	1 January 2018	30 June 2019

Based on the Group's preliminary assessment, above standards are not expected to have material impact on the transaction and balances recognized in the financial statements when they are adopted.

NOTES TO FINANCIAL REPORT

NOTE 4. DISPOSAL OF MILLENNIUM TOWER LIMITED

On 26 June 2017, the Group and Super Global Textile Limited ("Super Global"), which is a wholly owned subsidiary of Zhongsha Construction Group Co., Ltd, entered into a Share Purchase Agreement ("SPA"). Under the terms of the SPA, Super Global acquired 100% of the shares of Millennium Tower Limited ("MTL") for a nominal consideration of \$1. As at the date of signing of the contract, MTL did not carry-on any business activity.

The SPA was subjected to approval from the majority of non-associated shareholders. On 27 June 2017, Super Global obtained irrevocable Powers of Attorney from the majority of non-associated shareholders to vote in favour of the proposed transactions at the General Meeting held on 11 August 2017. The motion was tabled and passed on 11 August 2017.

Management judgement

As a result of the conferral of irrevocable power of attorneys on 27 June 2017 and the motion being passed by majority of non-associated shareholders on 11 August 2017, the management deemed that the control of MTL has effectively been lost by 30 June 2017. The proposed transaction is therefore being accounted for as a discontinued operation as at 30 June 2017.

Financial performance information

The following revenue and expenses items are relevant in explaining the financial performance for the financial period of the discontinued operations. The profit or loss from discontinued operations in 2017 represents the remaining China operations of MTL and its controlled entities.

	Consolidated Group	
	2017	2016
	\$	\$
Revenue ⁽¹⁾	15,174	31,348
Other income	10,376	15,366
Administrative expenses	(66,505)	(241,305)
Provision for impairment of receivables	-	(171,367)
Finance costs	(400,521)	(767,651)
Profit/(loss) before income tax	(441,476)	(1,133,609)
Income tax expense	-	-
Profit/(loss) after income tax	(441,476)	(1,133,609)
Gain on disposal before income tax	9,875,119	-
Income tax expense	-	-
Gain on disposal after income tax	9,875,119	-
Profit/(loss) after income tax from discontinued operation	9,433,643	(1,133,609)

- ⁽¹⁾ Revenue has arisen from providing management services to Zhejiang Yanghao Import and Export Co., Limited (hereby referred as "YIE") during the financial year. The management services were provided pursuant to a management agreement between the companies.

NOTES TO FINANCIAL REPORT

Cash flow information

	Consolidated Group	
	2017	2016
	\$	\$
Net Cash (outflow) from operating activities	(28,684)	(51,227)
Net Cash (outflow) from financing activities	(64,002)	60,660
Net decrease in cash and cash equivalents from discontinued operations	(92,686)	9,433

Detail of assets and liabilities of MTL disposed of as at 27 June 2017

	2017
	\$
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	64,003
Trade and other receivables	30,694
TOTAL CURRENT ASSETS	94,697
NON-CURRENT ASSETS	
Deferred tax assets	7,772,276
Other receivables	6,535,907
TOTAL NON-CURRENT ASSETS	14,308,183
TOTAL ASSETS	14,402,880
LIABILITIES	
CURRENT LIABILITIES	
Trade and other payables	7,160,745
Current tax payable	798
TOTAL CURRENT LIABILITIES	7,161,543
NON-CURRENT LIABILITIES	
Deferred tax liabilities	7,772,276
Other payables	7,946,883
TOTAL NON-CURRENT LIABILITIES	15,719,159
TOTAL LIABILITIES	22,880,702
NET LIABILITIES DISPOSED OF	(8,477,822)

NOTES TO FINANCIAL REPORT

The net gain from the disposal of China operations represents the net gain on the disposal of the China operation's associated assets and liabilities held in:

- Millennium Tower Limited
- Shaoxing Don Dragon Knitting Textile and Garments Ornament Company Limited
- China Prosper Enterprises Limited
- Don International Trading and Finance Limited
- Royal International Holdings Limited
- Express International Enterprise Limited
- Zhejiang Don Dragon Import and Export Company Limited
- Don International Trading Company Limited

Details of the disposal

	2017
	\$
Total sale consideration	1
Carrying amount of net liabilities disposed	8,477,822
Derecognition of foreign currency translation reserve	1,397,229
Derecognition of surplus reserve	67
Gain on disposal before income tax	9,875,119
Gain on disposal after income tax	9,875,119

NOTES TO FINANCIAL REPORT

NOTE 5. REVENUE

	Consolidated Group	
	2017	2016
	\$	\$
Revenue – rental income ⁽¹⁾	16,490	-
	<u>16,490</u>	<u>-</u>

⁽¹⁾ Rental income has arisen from the lease of property owned by the Group refer Note 13.

NOTE 6. PROFIT/(LOSS) BEFORE TAXATION FROM CONTINUING OPERATIONS

6.1 PROFIT/ (LOSS) BEFORE TAXATION INCLUDES THE FOLLOWING EXPENSES

	Consolidated Group	
	2017	2016
	\$	\$
Audit and review of financial statement	105,000	120,000
Employee benefit expenses	99,679	94,700
ASX and share registry expenses	60,346	55,106
Insurance expenses	61,361	69,657
Other professional expenses	55,710	-
Accounting expenses	27,000	24,000
Other property acquisition expense	14,032	-
Taxation compliance	3,500	3,200
Other administrative expenses	60,221	15,419
	<u>486,849</u>	<u>382,162</u>

6.2 AUDITORS' REMUNERATION

	Consolidated Group	
	2017	2016
	\$	\$
Audit services		
Audit and review of financial statement	105,000	120,000
Non-audit services		
Tax compliance	3,500	3,200
Independent Expert Report in relation to the divestment of China operation	35,000	-
Total auditors remuneration	<u>143,500</u>	<u>123,200</u>

NOTES TO FINANCIAL REPORT

NOTE 7. TAXATION

	Consolidated Group	
	2017	2016
	\$	\$
Income tax expense attributable to:		
Profit from continuing operation	-	-
Profit from discontinuing operation	-	-

The prima facie tax on “profit/ (loss) before income tax” is reconciled to the income tax as follows:

	Consolidated Group	
	2017	2016
	\$	\$
Profit (loss) before income tax expense from continuing operation	(505,178)	(1,516,045)
Profit before income tax expense from discontinued operation	9,433,643	-
	<u>8,928,465</u>	<u>(1,516,045)</u>
Prima facie tax at 30%	2,678,539	(454,814)
Effect of different tax rate of different tax jurisdiction	25,259	56,715
Expenses not deductible	-	746
Tax losses not recognised /(recouped)	<u>(2,703,798)</u>	<u>397,353</u>
	<u>-</u>	<u>-</u>

Corporate tax rates in Australia, China, Hong Kong and BVI are 30%, 25%, 16.5% and NIL respectively for the year ended 30 June 2017 and prior year.

NOTES TO FINANCIAL REPORT

NOTE 8. EARNINGS PER SHARE

	Consolidated Group	
	2017	2016
	\$	\$
<i>Earnings per share for profit from continuing operations</i>		
Net (loss) attributable to Owners of the Parent	(505,178)	(382,436)
Basic and diluted (loss) per share	(0.62)	(0.55)
There are no dilutive securities on issue.		
<i>Earnings per share for profit (loss) from discontinuing operations</i>		
Net profit (loss) attributable to Owners of the Parent	9,433,643	(1,133,609)
Basic and diluted earnings (loss) per share	11.62	(1.64)
There are no dilutive securities on issue.		
<i>Earnings per share for profit (loss) attributable to owners of the parent</i>		
Net profit (loss) attributable to Owners of the Parent	8,928,465	(1,516,045)
Basic and diluted earnings (loss) per share	11	(2.20)
There are no dilutive securities on issue.		
Weighted average number of ordinary shares outstanding during year used in calculating basic earnings per share	81,168,459	69,031,119
Weighted average number of ordinary shares outstanding during year used in calculating the diluted earnings per share	81,168,459	69,031,119

NOTE 9. DIVIDENDS

No dividend was proposed for current financial year or prior financial year. No franking credits are available to the parent at the end of financial year.

NOTES TO FINANCIAL REPORT

NOTE 10. CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2017	2016
	\$	\$
Cash on hand and at bank	34,342	77,856

NOTE 11. TRADE AND OTHER RECEIVABLES

	Note	Consolidated Group	
		2017	2016
		\$	\$
Trade receivables		13,942	-
Related party receivables	(a)	-	4,019,431
Total net trade and other receivable		13,942	4,019,431

- (a) Related party receivables represent net balances from Zhongsha Construction Ltd and Yanghao Import & Export in relation to property disposal transaction in a prior period, which will be offset against future obligation settled by these related parties on behalf of the Group. No interest is charged on the related party receivable balance. The receivable has been disposed of as part of the disposal of MTL, refer Note 4.

Movements in the provision for impairment of receivables are as follows:

	2017	2016
	\$	\$
Opening Balance	-	118,712,820
Reversal of previously impaired receivables	-	-
Provision for impairment recognised during the year	-	171,367
Increase in provision for impairment, net	-	171,367
Foreign exchange differences	-	(4,257,356)
Write off of provision against impaired receivables	-	(114,626,831)
Closing Balance	-	-

NOTES TO FINANCIAL REPORT

NOTE 12. TRADE AND OTHER PAYABLES

	Consolidated Group	
	2017	2016
	\$	\$
Trade payables	183,236	87,284
Other payables	16,615	2,374,763
Related party payables ⁽¹⁾	1,183,200	352,440
	<u>1,383,051</u>	<u>2,814,487</u>

1. Related party payables relate to interest-free advances from related parties and are unsecured and repayable on demand. This includes a \$1,000,000 management loan from Millennium Property Investments Pty Ltd (Refer Note 20). The loan has been subsequently converted to Convertible Notes issued on 5 September 2017 (Refer Note 26).

NOTE 13. INVESTMENT PROPERTY

	Consolidated Group	
	2017	2016
	\$	\$
Investment property		
Carrying Value ⁽¹⁾	3,414,700	-
Total investment property	<u>3,414,700</u>	<u>-</u>
Movements in investment property		
	2017	2016
	\$	\$
Opening Balance	-	-
Addition	3,414,700	-
Closing Balance	<u>3,414,700</u>	<u>-</u>

⁽¹⁾ The Group's mortgage loan is secured against Group's property in Queensland (Refer Note 14).

Valuation of investment property

Investment property is measured at fair value at each reporting date. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date.

Fair values of the group's properties will be determined by independent registered valuers who have appropriate registered professional qualifications and recent experience in the location and category of the property being valued. The valuation schedule may be altered when a property is either undergoing or being appraised for redevelopment, refurbishment or sale; or is experiencing other changes in assets or tenant profiles which may significantly impact value; or when there have been significant changes in the property market and broader economy such as updates to comparable property sales which may have an impact on the individual asset values. The carrying value of each investment property is assessed at the reporting date to ensure there has been no material change to the fair value since the valuation date.

The investment property was acquired in May 2017 and hence it was not revalued as at 30 June 2017.

NOTES TO FINANCIAL REPORT

NOTE 14. BORROWINGS

	Consolidated Group	
	2017	2016
	\$	\$
<u>Current</u>		
Bank loans ⁽¹⁾	-	8,327,140
Interest payable ⁽¹⁾	-	1,629,264
Total	-	9,956,404
<u>Non-Current</u>		
Mortgage loan ⁽²⁾	1,606,896	-
Total borrowings	1,606,896	9,956,404

⁽¹⁾ Borrowings and related interest payable were disposed of as part of the MTL disposal (Refer Note 4)

⁽²⁾ The Group's interest only mortgage is secured against Group's property in Queensland (Refer Note 13). Interest payable on the mortgage loan is 4.32% p.a.

NOTE 15. ISSUED CAPITAL

	Consolidated Group			
	2017	2016	2017	2016
	\$	\$	No.	No.
Movements in issued capital				
Balance at beginning of financial year	10,589,121	10,589,121	69,031,119	69,031,119
1:1 Rights issued (27 April 2017)	1,380,622	-	69,031,119	-
Transaction Costs (net of tax)	(179,294)	-	-	-
Balance at the end of financial year	11,790,449	10,589,121	138,062,238	69,031,119

CAPITAL MANAGEMENT

Management controls the capital of the Group in order to maintain an appropriate debt to equity ratio, provide shareholders with adequate returns and to ensure that the Group can fund its operations and continue as a going concern.

Management monitors the capital on the basis of gearing ratio. The gearing ratio is calculated as net debt (Total liabilities in statement of financial position less cash and cash equivalents) divided by total capital (Total equity in statement of financial position). Management assesses the Group's financial risks and adjusts its capital structure in response to changes in these risks and in the market. These include the management of debt levels, distributions to shareholders and share issues.

The Group does not have externally imposed capital requirements.

NOTES TO FINANCIAL REPORT

The gearing ratios at 30 June 2017 and 30 June 2016 were as follows:

	Consolidated Group	
	2017	2016
	\$	\$
Total liabilities	2,989,947	12,781,226
Less cash and cash equivalents	(34,342)	(77,856)
Net debt/(cash)	2,955,605	12,703,370
Total equity	496,079	(8,636,688)
Gearing ratio	(5.96)	(1.47)

NOTE 16. RESERVES

	Consolidated Group	
	2017	2016
	\$	\$
(a) Surplus reserve		
Balance at beginning of financial year	67	67
Derecognition of surplus reserve on disposal of Millennium Tower Limited (Refer Note 4)	(67)	-
Balance at the end of financial year	-	67
(b) Share option reserve		
Balance at beginning of financial year	319,428	319,428
Transfer to accumulated losses from option reserve	(319,428)	-
Balance at the end of financial year	-	319,428
(c) Foreign currency translation reserve (FCTR)		
Balance at beginning of financial year	996,959	628,976
Exchange differences on translation of discontinued operations	400,270	367,983
Derecognition of FCTR on disposal of Millennium Tower Limited (Refer Note 4)	(1,397,229)	-
Balance at the end of financial year	-	996,959
Total reserves	-	1,316,454

(a) Surplus reserve is a legal requirement under the China company law that requires the surplus reserve reaches 50% of the registered capital of the Company before distribution of dividends to shareholders can be made.

(b) Share option reserve is used to recognise the fair value of share based payments.

(c) Foreign currency translation reserve relates to foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into the Group's presentation currency.

NOTES TO FINANCIAL REPORT

NOTE 17. GROUP ENTITIES

Name	Country of Incorporation	Percentage Owned (%)	
The subsidiary of Millennium Limited is:		2017	2016
• Millennium QLD Pty Limited ⁽¹⁾	Australia	100	-
• Millennium Tower Limited ⁽²⁾	BVI	-	100
The subsidiaries of Millennium Tower Limited is:			
• Shaoxing Don Dragon Knitting Textile and Garments Ornament Company Limited ⁽²⁾	China	-	100
• China Prosper Enterprises Limited ⁽²⁾	Hong Kong	-	100
• Don International Trading and Finance Limited ⁽²⁾	Hong Kong	-	100
• Royal International Holdings Limited ⁽²⁾	Hong Kong	-	100
• Express International Enterprise Limited ⁽²⁾	Hong Kong	-	100
The subsidiaries of Shaoxing Don Dragon Knitting Textile and Garments Ornament Company Limited is:			
• Shaoxing Don Dragon Knitting Textile and Garments Ornament Company Limited ⁽²⁾	China	-	100
• Don International Trading Limited ⁽²⁾	Hong Kong	-	100

⁽¹⁾ Millennium QLD Pty Ltd was incorporated on 21 March 2017 for the purchase of investment property (refer Note 13).

⁽²⁾ Millennium Tower Limited and its subsidiaries have been disposed of as at 30 June 2017 (Refer Note 4) as a result of disposal of the Group China operations.

NOTE 18. COMMITMENTS

At the date of signing this report, the directors are not aware of any commitments that should be disclosed.

NOTE 19. CONTINGENT LIABILITIES

The company is not aware of any contingent liabilities that should be disclosed in accordance with AASB 137.

NOTES TO FINANCIAL REPORT

NOTE 20. KEY MANAGEMENT PERSONNEL (“KMP”)

Remuneration paid or payable to KMP

The total remuneration paid or payable to KMP during the year is as follows:

	Consolidated Group	
	2017	2016
	\$	\$
Short-term benefits	105,000	108,192

The lists of KMP of the Group and their interests in shares and options with KMP are disclosed in Remuneration Report. For other transactions with KMP, please refer to related party disclosure Note 21.

NOTE 21. RELATED PARTY DISCLOSURE

Related Party Balances

	Consolidated Group	
	2017	2016
	\$	\$
Related Party Receivables from		
Zhejiang Yanghao Import and Export Co., Limited ⁽¹⁾	-	1,498,886
Zhongsha Construction Group Co., Limited ⁽²⁾⁽³⁾	-	2,520,545
	-	4,019,431
Related Party Payable to		
Jie Yang, Former Director ⁽⁴⁾	144,955	139,970
Kingchan International Development Co., Limited ⁽⁵⁾	-	212,470
Millennium Property Investments Pty Ltd ⁽⁶⁾	1,000,000	-
	1,144,955	352,440

(1) Related entity of Jiang Song, Director of the Group. The balance related to sales of property, plant and equipment. Zhejiang Don Dragon Import and Export Co., Ltd. sold the asset held for sale to YIE in the prior year. This amount represents proceeds receivable from YIE after netting off the amount due to YIE.

(2) Related entity of Yan Yang, Managing Director of the Group

(3) In prior year the group sold its property, plant and equipment to Zhongsha Construction and Yanghao Import & Export Ltd. This amount represents proceeds receivable from Zhongsha Construction after netting off with amount due to them.

(4) Balance represents cash provided to the Australian parent from Jie Yang (former director) via external parties to support the operation.

(5) Related party of Shengfeng Zhou, General Manager of Millennium Towers Limited.

(6) Balance represents a management loan provided by related entity of significant shareholder, Kin Lam and Director, Wei Huang. The loan was subsequently replaced by convertible notes issued to Regent Developments Pty Ltd on 5 September 2017, which is an associate of Kin Lam and Wei Huang.

NOTES TO FINANCIAL REPORT

NOTE 21. RELATED PARTY DISCLOSURE (CONT')

Related Party Transactions	Consolidated Group	
	2017	2016
	\$	\$
Zhejiang Yanghao Import & Export Co., Limited ⁽¹⁾	15,174	31,348
Addsum Accountants ⁽²⁾	-	(21,666)
Super Global Textile Limited ⁽³⁾		
Proceed from disposal of Millennium Towers Limited	1	-
Net liabilities disposed of Millennium Towers Limited	8,477,822	-
Shaoxing Guangsha Knitting Textile & Garments Ornament Co., Limited ⁽⁴⁾	-	139,013
Zhejiang Aurora PV Solar Co., Limited ⁽¹⁾	-	32,354
Transfer of funds from related party during the year:		
Jie Yang ⁽⁵⁾	4,985	139,970
Kingchan International Development Co., Limited ⁽⁶⁾	-	212,470
Millennium Property Investments Pty Ltd ⁽⁷⁾	1,000,000	-

- (1) Management services fees charged to Zhejiang Yanghao Import & Export Co., Limited, related entity of Jiang Song, Director of the Group.
- (2) Company secretarial service and accounting fee paid to Addsum Accounting, a related entity of Cathy Guo, formal Non-Executive Director and formal Company Secretary of the Group.
- (3) Super Global Textile is a related entity of Zhongsha Construction Group, related entity of Yan Yang (Director) which was the purchaser of the Group's China operations. Refer Note 4.
- (4) Electricity bill paid on behalf of related parties of Yan Yang (Director) in prior period.
- (5) Former director and sister of Ms Yan Yang (Director).
- (6) Related party of Shengfeng Zhou, General Manager of Millennium Towers Limited.
- (7) Balance represents a management loan provided by related entity of significant shareholder, Kin Lam and Director, Wei Huang. The loan was subsequently replaced by convertible notes issued to Regent Developments Pty Ltd on 5 September 2017, which is an associate of Kin Lam and Wei Huang.

Other than those disclose here and elsewhere in the financial statements, there were no other related party transactions undertaken by the Group during the financial year.

NOTES TO FINANCIAL REPORT

NOTE 22. CASH FLOW INFORMATION

Reconciliation of profit after tax to net cash flow from operating activities

	Consolidated Group	
	2017	2016
	\$	\$
Net profit/(loss) after tax for the year	8,928,465	(1,516,045)
Non-cash flows in profit/(loss):		
- Provision for impairment of receivables	-	171,367
- Reversal of over recognised VAT payable	-	(15,378)
- Gain on disposals of subsidiaries (Note 4)	(9,433,643)	-
- Effect of derecognition of foreign currency translation reserve (Note 4)	(441,476)	-
- Effects of foreign exchange differences	-	388,481
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	(46,922)	2,666,224
(Increase)/Decrease in borrowings	-	398,220
(Decrease) in trade and other payables	605,372	(2,498,122)
(Decrease)/Increase in current tax payable	-	(15,843)
Net cash flow used in operating activities	(388,204)	(421,096)

NOTE 23. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk, interest rate and price risk) credit risk and liquidity risk.

A committee consisting of senior management meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The committee's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on the financial performance.

(a) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. At 30 June 2017, the Group is not exposed to interest rate risk as the long-term borrowing has a fixed interest rate (2016: \$98,785 less/more) as a result of higher interest expense from borrowings.

Price risk

The Group's financial instruments are not exposed to changes in commodity prices or equity prices.

NOTES TO FINANCIAL REPORT

Financial instrument composition and maturity analysis

The table below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

		Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
		2017	2016	2017	2016	2017	2016	2017	2016
		%	%						
Financial Assets									
Cash and Cash Equivalents	1.50		0.30	34,342	77,856	-	-	34,342	77,856
Trade and Other Receivables				13,942	-	-	4,019,431	13,942	4,019,431
Total Financial Assets				48,284	77,856	-	4,019,431	48,284	4,097,287
Financial Liabilities									
Borrowings	4.32		4.90	1,606,896	9,956,404	-	-	1,606,896	9,956,404
Trade and Other Payables				-	-	1,383,051	2,814,487	1,383,051	2,814,487
Total Financial Liabilities				1,606,896	9,956,404	1,383,051	2,814,487	2,989,947	12,770,891

NOTES TO FINANCIAL REPORT

NOTE 23. FINANCIAL RISK MANAGEMENT (CONT.)

(b) Credit risk

Exposure to credit risk arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss of the Group. The credit risk on financial assets recognised on the statement of financial position is the carrying amount of the financial assets, net of any provisions for doubtful debts.

The Group's credit risk exposures are the balances held with banks and the outstanding receivables as disclosed in the statement of financial position.

Cash and cash equivalents are deposited with licensed and reputable banks and financial institutions.

There are no trade and other receivables which are past due but not impaired in both 2016 and 2017. Other trade and other receivables that are not past due or impaired are considered to be of a high credit quality.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or meeting its obligations related to its financial liabilities.

As at 30 June 2017, the Group's liabilities have contractual maturities which are summarised below:

Financial liabilities	Maturing less than 1 year \$	Maturing more than 1 year but not more than 2 years \$	Total
As at 30 June 2017			
Trade and Other Payables	1,383,051	-	1,383,051
Borrowings	-	1,606,896	1,606,896
Total financial liabilities	1,383,051	1,606,896	2,989,947
As at 30 June 2016			
Trade and Other Payables	2,814,487	-	2,814,487
Borrowings	9,956,404	-	9,956,404
Total financial liabilities	12,770,891	-	12,770,891

Repayment of payables and borrowings are subjected to financial assistance of director related entities and/or capital raising. Subsequent to year end, the company issued \$1.5 million convertible notes consisting of the conversion of the management loan of \$1,000,000 at 30 June 2017 and an additional \$500,000 in working capital. Refer Note 26.

(d) Fair value measurement

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The value of the Group's financial assets and financial liabilities are determined by its short-term book value which is also its fair value.

NOTES TO FINANCIAL REPORT

NOTE 24. PARENT COMPANY INFORMATION

	Parent entity	
	2017	2016
	\$	\$
Current assets	36,662	20,534
Non-current assets	1,823,500	-
Total assets	1,860,162	20,534
Liabilities		
Current liabilities	1,331,896	1,598,616
Total liabilities	1,331,896	1,598,616
Net (liabilities)	528,266	(1,578,082)
Equity		
Issued capital	23,481,508	22,280,180
Accumulated (losses)	(22,953,242)	(24,177,690)
Share option reserve	-	319,428
Total Equity	528,266	(1,578,082)
Financial performance		
Profit (Loss) for the year	905,020	(382,436)
Other comprehensive income	-	-
Total comprehensive income (loss)	905,020	(382,436)

The Parent Entity has no commitments as at 30 June 2017 (2016: \$nil)

The Parent Entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at the year end.

NOTE 25. OPERATING SEGMENTS

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the CODM in allocating resources and have concluded at this that there are no separately identifiable segments as there is currently no discrete financial information by the chief operation decision maker.

The Group operates in one segment being the provision of rental property through Millennium QLD Pty Ltd.

The Group operates predominately in one geographical area where rental revenue is generated and non-current assets are located in Australia. The Group assets and liabilities are not specifically allocated to operating segments.

NOTES TO FINANCIAL REPORT

NOTE 26. EVENTS AFTER THE REPORTING PERIOD

On 5 September 2017 the Group issued convertible notes of \$1,500,000 consisting of the conversion of the management loan of \$ 1,000,000 (Refer Note 12) plus an additional \$500,000 working capital. The notes have face value of \$1 per note and a coupon of 9% interest per annum. They can be converted to fully paid ordinary shares at \$0.04 per share by the holder at any time prior to maturity which is 30 June 2020, on not less than 3 months' notice. The convertible notes were issued to Regent Developments, a related entity of Wei Huang (Executive Director) and Kin Lam (Significant Shareholder). All notes must be converted prior to the maturity and have second ranking securities over the Group's investment property.

In pursuance to majority shareholders' approval on the 11 August 2017 General Meeting, the Group changed its name to Millennium Limited from Yanghao International Limited. The Group's ASX code effectively changed to MHD from 1 September 2017.

Other than the above matters, there are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the entity's operations in future financial years;
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial year.

Directors' Declaration

The directors of the Company declare that:

1. the financial statements, as set out on pages 15 to 46 and notes are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company and consolidated Group; and
 - c. complies with International Financial Reporting Standards as disclosed in Note 3.
2. The Chief Executive Officer and Company Secretary have given the declarations required by Section 295A that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Australian Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, subject to matters detailed in Note 1 – Going Concern.

This declaration is made in accordance with a resolution of the directors of Millennium Limited (formerly Yanghao International Limited).

On behalf of the Directors



Wei Huang
Managing Director, Chairman

29 September 2017

Grant Thornton House
Level 3
170 Frome Street
Adelaide, SA 5000
Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report To the Members of Millennium Limited (Formerly Yanghao International Limited)

Report on the audit of the financial report

Opinion

We have audited the financial report of Millennium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of \$505,178 from continuing operations and that the total current liabilities exceeded its total current assets by \$1.31 million. The consolidated entity's ability to continue as a going-concern is contingent upon the continued financial support of related parties and/or capital injection during the year ended 30 June 2017. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>The appropriateness of management judgement on the date of disposal of china operations – Note 4</p> <p>On 26 June 2017, the Group and Super Global Textile Ltd (Super Global) entered into a conditional share purchase agreement. Super Global is a wholly owned subsidiary of related party, Zhongsha Construction Group Co., Ltd, a related party. The agreement was subject to approval from non-associated shareholders. A general meeting to approve the transaction was held 11 of August 2017.</p> <p>Under the proposed transaction, Super Global would acquire 100% of shares in Millennium Tower Limited (MTL), which is an intermediate holding entity to the Group's subsidiaries in PRC, for a nominal amount of \$1.</p> <p>Super Global entered into various irrevocable Power of Attorney agreements with majority non-associated shareholders on 27 June 2017. These agreements effectively appointed Super Global to vote on behalf of them in relation to approval of the divestment of the Group's China operation.</p> <p>Based on these facts, the share sale agreement was deemed to be effective on 27 June 2017. Hence, disposal of China operation has been recognised on 27 June 2017.</p> <p>The risk is that disposal of the China operation was accounted for in the wrong period.</p> <p>This area is a key audit matter due to involvement of significant management judgement in determining the date of disposal.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtaining and reviewing the signed Share Sales Agreement dated 26 June 2017; • Obtaining and reviewing the signed irrevocable Power of Attorneys dated 27 June 2017; • Assessing the appropriateness of the date of disposal; • Evaluating compliance of accounting policy adopted by management with AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>; • Reviewing the results of the voting at the General Meeting on 11 August 2017 in relation to approval of the divestment of China operation; and • Reviewing the adequacy of related disclosures in the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

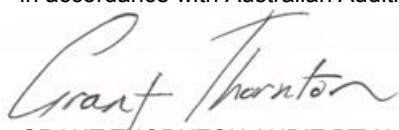
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 10 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Millennium Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

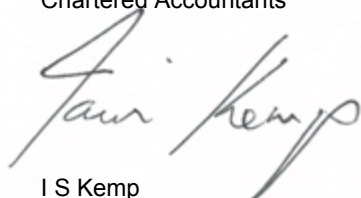
Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD

Chartered Accountants



I S Kemp

Partner - Audit & Assurance

Adelaide, 29 September 2017

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 29 September 2017.

Distribution of Equity Securities

Ordinary Share Capital

138,062,238 fully paid ordinary shares are held by 584 individual shareholders as at 29 September 2017.

All issued ordinary shares carry one vote per share.

Options

As at the date of this report, there are no unlisted options to acquire shares in the Company.

The Number Of Shareholders, By Size Of Holding, In Each Class Are:

Range	Total holders	Shares	% of Issued Capital
1 - 1,000	3	1,128	0.00
1,001 - 5,000	273	1,103,682	0.80
5,001 - 10,000	215	1,257,478	0.91
10,001 - 100,000	54	1,431,919	1.04
100,001 and over	39	134,268,031	97.25
Rounding			0.00
Total	584	138,062,238	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Shares
Minimum \$ 500.00 parcel at \$ 0.000 per unit	-	-	-

Substantial Shareholders

Ordinary Shares	Fully Paid	
	Number	Percentage
MR KIN LAM	27,703,206	20.07
MR WEI HUANG	27,599,495	19.99
YAN YANG	11,807,206	8.55
ZHENGHAI ZHONG	11,807,206	8.55
MR AARON LANGLEY	10,504,000	7.61
G & H BRASHER PTY LTD <THE BRASHER SUPER FUND A/C>	7,008,000	5.08
LION CAPITAL MANAGEMENT LIMITED	7,000,000	5.07

ASX ADDITIONAL INFORMATION

Top 20 Shareholders

Rank	Name	Shares	% of Shares
1.	MR KIN LAM	27,703,206	20.07
2.	MR WEI HUANG	27,599,495	19.99
3.	YAN YANG	11,807,206	8.55
4.	ZHENGHAI ZHONG	11,807,206	8.55
5.	MR AARON LANGLEY	10,504,000	7.61
6.	G & H BRASHER PTY LTD <THE BRASHER SUPER FUND A/C>	7,008,000	5.08
7.	LION CAPITAL MANAGEMENT LIMITED	7,000,000	5.07
8.	J P MORGAN NOMINEES AUSTRALIA LIMITED	5,136,127	3.72
9.	WEALTHY CONCEPT HOLDINGS LIMITED	4,189,726	3.03
10.	BIOGIENE PTY LTD	3,510,000	2.54
11.	TELRON PTY LTD <BROOKS FAMILY A/C>	3,500,000	2.54
12.	SUNNY SEASON FINANCE LIMITED	2,700,001	1.96
13.	MR ANTHONY MANFRE	1,000,000	0.72
14.	MRS YING LIU HUANG	754,000	0.55
15.	WAYTEX AUSTRALIA PTY LTD	754,000	0.55
16.	MR CHUN GANG REN	713,329	0.52
17.	MS QISHEN	694,504	0.50
18.	MR GRAHAM BRASHER	649,120	0.47
19.	CITICORP NOMINEES PTY LIMITED	639,581	0.46
20.	MILLENNIUM PROPERTY INVESTMENT PTY LTD	520,000	0.38
Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)		128,189,501	92.86
Total Remaining Holders Balance		9,872,737	7.14
TOTAL		138,062,238	100.00