

# MILLENNIUM LIMITED

(Previously known as Yanghao International Limited)

## ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

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ABN 52 133 453 531

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

# CONTENTS

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<b>Corporate Information</b>	<b>1</b>
<b>Directors Report</b>	<b>2</b>
<b>Auditor's Independence Declaration</b>	<b>12</b>
<b>Corporate Governance Statement</b>	<b>13</b>
<b>Financial Report</b>	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	<b>14</b>
Consolidated Statement of Financial Position	<b>15</b>
Consolidated Statement of Changes in Equity	<b>16</b>
Consolidated Statement of Cash Flows	<b>17</b>
Notes to the Consolidated Financial Statements	<b>18</b>
<b>Directors' Declaration</b>	<b>46</b>
<b>Independent Audit Report</b>	<b>47</b>
<b>ASX Additional Information</b>	<b>50</b>

# CORPORATION INFORMATION

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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 26<sup>th</sup> November 2015

## Registered Office

9U, 175 Lower Gibbes Street  
Chatswood NSW 2067

## Principal Place of Business

Unit 9U, 175 Lower Gibbes Street  
Chatswood NSW 2067

## Legal Advisors

Cornwall Stodart  
Level 10, 114 William Street  
Melbourne VIC 3000

## Bankers

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

## Share Register

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

## Auditors

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

# DIRECTORS' REPORT

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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 2018.

## Principal Activities

The Group currently focuses on the expansion of new business operations 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 2018, Millennium Ltd (the "Company") and its controlled entities (the "Group"), made net loss of \$141,306 (2017: net profit of \$8,928,465, resulting from divestment of China operations).

The Company's management and Board are focusing on rebuilding the Group's business operations through business expansion and new investments.

Revenue was derived from rental income of existing leases from a property acquired in the year ended 30 June 2017.

## Financial Position

The Company's has a net asset position of \$374,480 (2017: \$496,079).

## Future Developments, Prospects and Business Strategies

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 business and operation

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.

The Group is in continuous discussion with ASX on the potential change of principle activities and re-compliance.

# DIRECTORS' REPORT

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## **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 22 August 2017, the Company changed its name from Yanghao International Limited (YHL) to Millennium Limited (MHD) 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 to Regent Developments Pty Ltd. The convertible notes consist of the conversion of the \$1,000,000 management loan used in the purchase of company's investment property in Queensland (Refer Note 13) 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. 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.

## **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 2018.

## **Events after the Reporting Period**

On 13 August 2018 Millennium Limited was suspended under Listing Rule 17.3 from Australian Stock Exchange (ASX) as the Group was determined under Listing Rule 12.1 that the Group's operations are not adequate to warrant the continued quotation of its securities.

The Group is in continuous discussion with ASX on the potential change of principle activities and re-compliance.

## **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

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## 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 holds a Bachelors Degree in Economics from Macquarie University and, a Masters Degree in Commerce from the University of New South Wales. His areas of expertise span across a number of areas including: financial control, new business start-ups, business development within the property, textile, retail, financial services, construction and mining sectors. He also has over 10 years experience working in Australian and international property developments.

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 was 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*

Mr 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 Ying Huang holds a Bachelors Degree in Economics and a Masters Degree in Commerce from Macquarie University and is a Certified Practicing Accountant. She has worked for IBM for the past 20 years and held many senior management positions in Australia, Singapore and the Asia Pacific region. Her management experiences cover sale, marketing, post sales support and service delivery. Ms Huang is also experienced in business operations, business transformation and financial management from her early career.

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

# DIRECTORS' REPORT

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## Meetings of Directors

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

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

## 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. 1 meeting was 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 \$51,902 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

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## 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	31,699,495	754,000*	32,453,495
Jiang Song	-	-	-

\*Wei Huang has indirect interest in the Group through shareholding 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

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## Remuneration Report (Audited) Cont.

### Nomination and Remuneration Committee

The Board has established a formal charter for the Committee. 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
<b>Directors</b>			
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 2017 Annual General Meeting

Millennium Ltd received 99.98% of 'yes' votes on its remuneration report for the financial year ended 30 June 2017. 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

Directors and Other Key Management Personnel Remuneration					
	Year	Short term employee benefits			Total
		Director Fee	Other Services	Non-monetary benefits	
<b>Directors</b>					
Wei Huang	2018	39,000	-	-	39,000
Managing Director, Chairman and Chief Executive Officer (Appointed 28 November 2008)	2017	39,000	-	-	39,000
Ying Liu Huang <sup>(2)</sup>	2018	39,000	27,000	-	66,000
Non-executive Director and Company Secretary (Appointed 26 November 2015)	2017	39,000	27,000	-	66,000
Yan Yang <sup>(1)</sup>	2018	-	-	-	-
Non-executive Director (Appointed 11 August 2017)	2017	-	-	-	-
Jiang Song <sup>(1)</sup>	2018	-	-	-	-
Executive Director (Appointed 21 May 2014)	2017	-	-	-	-
<b>Key Management Personnel</b>					-
<b>2018 Total</b>		<b>78,000</b>	<b>27,000</b>	-	<b>105,000</b>
<b>2017 Total</b>		<b>78,000</b>	<b>27,000</b>	-	<b>105,000</b>

- Ms Yan Yang and Mr Jiang Song were not remunerated by the company. The directors have agreed to not draw benefits from the company during the restructure process.
- Company secretarial and accounting fees of \$27,000 were paid to Ms Ying Huang in addition to director fees

# DIRECTORS' REPORT

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## Movement in directors' and other KMPs' interests in shares

	Opening balance	Net Change Other	Closing balance	% of Total Shares on Issue
<b>Directors</b>				
Wei Huang Managing Director, Chairman and Chief Executive Officer (Appointed 28 November 2008)	28,353,495	4,100,000 <sup>(1)</sup>	32,453,495	22.96%
Ying Liu Huang Non-executive Director and Company Secretary (Appointed 26 November 2015)	754,000		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)	-	-	-	-

1. 4,100,000 shares were transferred from an off market transfer on 5 Oct 2017.

# DIRECTORS' REPORT

## Remuneration Report (Audited) *Cont.*

### Related Party Balances

	2018 \$	2017 \$
Related Party Payable to		
Jie Yang, Former Director <sup>(3)</sup>	-	144,955
Millennium Property Investments Pty Ltd <sup>(4)</sup>	150,000	1,000,000
Regent Development Pty Ltd <sup>(5)</sup>	1,595,069	-
	<u>1,745,069</u>	<u>1,144,955</u>

### Related Party Transactions

	2018 \$	2017 \$
Zhejiang Yanghao Import & Export Co., Limited <sup>(1)</sup>	-	15,174
Super Global Textile Limited <sup>(2)</sup>		
Proceed from disposal of Millennium Towers Limited	-	1
Net liabilities disposed of Millennium Towers Limited	-	8,477,822
Jie Yang <sup>(3)</sup>		
Transfer of funds from (to) related party	(144,955)	4,985
Millennium Property Investments Pty Ltd <sup>(4)</sup>		
Transfer of funds from (to) related party	(850,000)	1,000,000
Regent Development Pty Ltd <sup>(5)</sup>		
Convertible notes issued	(1,500,000)	-
Interest on convertible notes	(109,110)	-

(1) Management services fees charged to Zhejiang Yanghao Import & Export Co., Limited, related entity of Jiang Song, Director of the Group.

(2) 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.

(3) Former director and sister of Ms Yan Yang (Director). Balance represents cash provided to the Australian parent from Jie Yang (former director) via external parties to support the operation.

(4) Balance represents a management loan provided by related entity of significant shareholder, Kin Lam and Director, Wei Huang. \$1,000,000 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. An additional of \$150,000 interest free advances, unsecured and repayable on demand management loan was provided during the year (Refer Note 12).

(5) Balance payable relates to principal of convertible notes (Refer Note 16) and interest accrued on the principal (Refer Note 12). Regent Development Pty Ltd is a related entity where Wei Huang (Chairman) is a director.

***End of Remuneration Report***

# DIRECTORS' REPORT

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## 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	
	2018	2017
	\$	\$
Taxation compliance	6,700	3,500
Independent expert report	-	35,000

The Auditor's Independence declaration for the year ended 30 June 2018 has been received and can be found at page 12 of this report.

Signed in accordance with a resolution of the Directors.



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Wei Huang  
Managing Director, Chairman

30 August 2018

## Auditor's Independence Declaration

### To the Directors of Millennium Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Millennium Limited for the year ended 30 June 2018, 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, 30 August 2018

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# **CORPORATE GOVERNANCE STATEMENT**

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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 2018 is dated as at 30 June 2018 and was approved by the Board on 30 August 2018. The Corporate Governance Statement is available on Millennium Limited website at [www.millenniumltd.com.au](http://www.millenniumltd.com.au)

# FINANCIAL REPORT

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR FINANCIAL YEAR ENDED 30 JUNE 2018

		Consolidated Group	
		2018	2017
	Note	\$	\$
Revenue – continuing operations	5	200,249	16,490
Other income	5	365	65
Administrative expenses	6	(543,191)	(486,849)
Finance costs		(184,029)	(34,884)
Gain from revaluation of investment property	13	385,300	-
Profit/(loss) before income tax		(141,306)	(505,178)
Income tax expense	7	-	-
<b>(Loss) from continuing operations</b>		<b>(141,306)</b>	<b>(505,178)</b>
Profit (Loss) after income tax expense from discontinuing operations	4	-	9,433,643
<b>Profit (Loss) for the year</b>	6	<b>(141,306)</b>	<b>8,928,465</b>
<b>Other comprehensive (loss)/income for the year, net of tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		-	400,270
Derecognition of surplus reserve		-	(67)
Derecognition of foreign currency reserve		-	(1,397,229)
<b>Total comprehensive income attributable to owners of the parent</b>		<b>(141,306)</b>	<b>7,931,439</b>
<b>Earnings (loss) per share from continuing operations attributable to the owners</b>			
Basic and diluted (cents)	8	(0.10)	(0.62)
<b>Earnings (loss) per share from discontinuing operations attributable to the owners</b>			
Basic and diluted (cents)	8	-	11.62
<b>Earnings (loss) per share attributable to the owners</b>			
Basic and diluted (cents)	8	(0.10)	11.00

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 2018

	Note	Consolidated Group 2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	10	48,803	34,342
Trade and other receivables	11	7,181	13,942
Other current assets		10,855	23,042
<b>TOTAL CURRENT ASSETS</b>		<b>66,839</b>	<b>71,326</b>
NON-CURRENT ASSETS			
Investment property	13	3,800,000	3,414,700
Deferred tax assets		-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,800,000</b>	<b>3,414,700</b>
<b>TOTAL ASSETS</b>		<b>3,866,839</b>	<b>3,486,026</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	12	274,389	1,366,436
Revenue received in advance		17,141	16,615
Financial liabilities	14	1,605,760	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,897,290</b>	<b>1,383,051</b>
NON-CURRENT LIABILITIES			
Trade and other payables	12	109,110	-
Financial liabilities	14	1,485,959	1,606,896
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,595,069</b>	<b>1,606,896</b>
<b>TOTAL LIABILITIES</b>		<b>3,492,359</b>	<b>2,989,947</b>
<b>NET ASSETS</b>		<b>374,480</b>	<b>496,079</b>
<b>EQUITY</b>			
Issued capital	15	11,790,449	11,790,449
Other contributed equity	16	19,707	-
Accumulated losses		(11,435,676)	(11,294,370)
<b>TOTAL EQUITY</b>		<b>374,480</b>	<b>496,079</b>

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 2018

	Note	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total \$
<b>Balance as at 1 July 2016</b>		<b>10,589,121</b>	<b>(20,542,263)</b>	<b>1,316,454</b>	<b>(8,636,688)</b>
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
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>8,928,465</b>	<b>(997,026)</b>	<b>7,931,439</b>
<b>Transactions with owners in their capacity as owners</b>					
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)	-
<b>Balance as at 30 June 2017</b>		<b>11,790,449</b>	<b>(11,294,370)</b>	<b>-</b>	<b>496,079</b>
<b>Balance as at 1 July 2017</b>		<b>11,790,449</b>	<b>(11,294,370)</b>	<b>-</b>	<b>496,079</b>
Total profit or loss for the year		-	(141,306)	-	(141,306)
Other comprehensive income		-	-	19,707	19,707
Other equity	16	-	-	19,707	19,707
<b>Balance as at 30 June 2018</b>		<b>11,790,449</b>	<b>(11,435,676)</b>	<b>19,707</b>	<b>374,480</b>

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 2018

	Notes	Consolidated Group	
		2018	2017
		\$	\$
<b>Cash Flows from operating activities</b>			
Receipts from customers		207,536	78,456
Payments to suppliers and employees		(640,284)	(466,149)
Interest received		365	215
GST received		12,188	
Finance costs		(69,253)	(726)
Net cash used in operating activities	22	(489,448)	(388,204)
<b>Cash Flows from investing activities</b>			
Outflow from disposed operation		-	(64,002)
Purchase of property, plant and equipment		-	(3,414,700)
Net cash from investing activities		-	(3,478,702)
<b>Cash Flows from financing activities</b>			
Proceed from rights issue		-	1,380,622
Payment for issuance cost related to rights issue		-	(162,782)
Repayment for mortgage principal		(1,136)	1,572,278
Proceeds from issuance of convertible notes		1,500,000	-
Loan from (repayment to) related parties		(994,955)	1,004,985
Net cash from financing activities		503,909	3,795,103
Net increase/(decrease) in cash and cash equivalents		14,461	(71,803)
Cash and cash equivalents at beginning of financial year		34,342	77,856
Effect of exchange rate changes		-	28,289
<b>Cash and cash equivalents at end of financial year</b>	10	<b>48,803</b>	<b>34,342</b>

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

# NOTES TO FINANCIAL REPORT

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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 2018, the Group total current liabilities exceeded its total current assets by \$1.83 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 2018 (including comparatives) were approved and authorised for issue by the Board of Directors on 30 August 2018.

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

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## 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

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## 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.

Millennium Limited and its wholly owned Australian resident entity are part of a tax consolidated group under the tax consolidation legislation as of November 2017. The head entity within the tax consolidated group is Millennium Limited. Millennium Limited and its wholly-owned controlled entity recognize the current and deferred tax liabilities applicable to the transactions undertaken by it, after elimination of intra-group transactions. Millennium Limited recognizes the entire tax-consolidated group's retained tax losses.

### 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 recognized 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

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## 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

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## 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

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## 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 recognized 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

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## 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 recognized in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognized 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

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## 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

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## 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 recognized 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

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## 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) *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
<b>AASB 15 Revenue from Contracts with Customers</b> This standard modifies the determination of when to recognize revenue and how much revenue to recognize. The core principle is that an entity recognizes 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
<b>AASB 16 'Leases'</b> 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"> <li>• Recognize 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;</li> <li>• Recognize depreciation of right to use lease assets and interest on lease liabilities over the lease term;</li> <li>• Separately present the principal amount of cash paid and interest in the cash flow statement as a financing activity.</li> </ul>	1 January 2019	30 June 2020
<b>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).</b> This standard modifies the classification and measurement of financial assets: It includes: <ul style="list-style-type: none"> <li>• 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;</li> <li>• A new expected credit loss impairment model requiring expected losses to be recognized when financial assets are first recognized;</li> <li>• 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.</li> </ul>	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.

	<b>2017</b>
	<b>\$</b>
Revenue <sup>(1)</sup>	15,174
Other income	10,376
Administrative expenses	(66,505)
Provision for impairment of receivables	-
Finance costs	(400,521)
Profit/(loss) before income tax	(441,476)
Income tax expense	-
Profit/(loss) after income tax	(441,476)
Gain on disposal before income tax	9,875,119
Income tax expense	-
Gain on disposal after income tax	9,875,119
<b>Profit/(loss) after income tax from discontinued operation</b>	<b>9,433,643</b>

- <sup>(1)</sup> 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

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## Cash flow information

	2017
	\$
Net Cash (outflow) from operating activities	(28,684)
Net Cash (outflow) from financing activities	(64,002)
Net decrease in cash and cash equivalents from discontinued operations	<u>(92,686)</u>

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

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



# NOTES TO FINANCIAL REPORT

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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
<b>Gain on disposal after income tax</b>	<b>9,875,119</b>

# NOTES TO FINANCIAL REPORT

## NOTE 5. REVENUE

	2018	2017
	\$	\$
Rental income <sup>(1)</sup>	200,249	16,490
Interest revenue	365	65
	<u>200,614</u>	<u>16,555</u>

<sup>(1)</sup> 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

	2018	2017
	\$	\$
Audit and review of financial statement	72,945	105,000
Employee benefit expenses	78,000	99,679
ASX and share registry expenses	60,347	60,346
Insurance expenses	51,902	61,361
Other professional expenses	88,308	55,710
Accounting expenses	27,000	27,000
Other property acquisition expense	72,376	14,032
Utilities charges	29,373	-
Land tax	50,000	-
Taxation compliance	6,700	3,500
Other administrative expenses	6,240	60,221
	<u>543,191</u>	<u>486,849</u>

### 6.2 AUDITORS' REMUNERATION

	2018	2017
	\$	\$
<b>Audit services</b>		
Audit and review of financial statement	72,945	105,000
<b>Non-audit services</b>		
Tax compliance	6,700	3,500
Independent Expert Report in relation to the divestment of China operation	-	35,000
<b>Total auditors remuneration</b>	<u><b>79,645</b></u>	<u><b>143,500</b></u>

# NOTES TO FINANCIAL REPORT

## NOTE 7. TAXATION

	2018	2017
	\$	\$
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:

	2018	2017
	\$	\$
Profit (loss) before income tax expense from continuing operation	(141,306)	(505,178)
Profit before income tax expense from discontinued operation	-	9,433,643
	(141,306)	8,928,465
Prima facie tax at 27.5% (2017: 30%)	(38,859)	2,678,539
Effect of different tax rate of different tax jurisdiction	-	25,259
Timing differences not recognized	(105,958)	-
Tax losses not recognized /(recouped)	144,816	(2,703,798)
	-	-

Corporate tax rates in Australia, China, Hong Kong and BVI are 30%, 25%, 16.5% for the year ended 30 June 2017. During 30 June 2018, the Group is subjected to corporate tax rates in Australia for 27.5%.

The Group is a tax consolidated group under the tax consolidation legislation as of November 2017. The Australian Taxation Office has been notified of the decision. The accounting policy relating to the implementation of the tax consolidation legislation is set out in Note 3(b).

The Group has tax losses arising in Australia of \$3,468,287 (2017: \$2,941,683) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose.

No deferred tax asset has been capitalised because it is not likely future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.

# NOTES TO FINANCIAL REPORT

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## NOTE 8. EARNINGS PER SHARE

	2018 \$	2017 \$
<i>Earnings per share for profit from continuing operations</i>		
Net (loss) attributable to Owners of the Parent	(141,306)	(505,178)
Basic and diluted (loss) per share	(0.10)	(0.62)
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
Basic and diluted earnings (loss) per share	-	11.62
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	(141,306)	8,928,465
Basic and diluted earnings (loss) per share	(0.10)	11.00
There are no dilutive securities on issue.		
Weighted average number of ordinary shares outstanding during year used in calculating basic earnings per share	138,062,238	81,168,459
Weighted average number of ordinary shares outstanding during year used in calculating the diluted earnings per share	138,062,238	81,168,459

## 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

	2018	2017
	\$	\$
Cash at bank	48,803	34,342

## NOTE 11. TRADE AND OTHER RECEIVABLES

	2018	2017
	\$	\$
Trade receivables	7,181	13,942

## NOTE 12. TRADE AND OTHER PAYABLES

	2018	2017
	\$	\$
<b><u>Current</u></b>		
Trade payables	89,849	183,236
Customer deposits	34,540	-
Related party payables <sup>(1)</sup>	150,000	1,183,200
<b><u>Non-current</u></b>		
Interest payable <sup>(2)</sup>	109,110	-
Related party payables <sup>(1)</sup>	-	-
	383,499	1,366,436

1. Related party payables relate to interest-free advances from related parties and are unsecured and repayable on demand. This includes a \$150,000 management loan from Millennium Property Investments Pty Ltd (Refer Note 21).
2. The interest payable on the convertible note has been accrued. The note holders have agreed to defer the payment of interest until 30 June 2020.

# NOTES TO FINANCIAL REPORT

## NOTE 13. INVESTMENT PROPERTY

	2018	2017
	\$	\$
Carrying value <sup>(1)</sup>	3,800,000	3,414,700
<b>Total investment property</b>	<b>3,800,000</b>	<b>3,414,700</b>

<b>Movements in investment property</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Opening balance	3,414,700	-
Addition	-	3,414,700
Revaluation gain	385,300	-
Closing balance	<b>3,800,000</b>	<b>3,414,700</b>

<sup>(1)</sup> The Group's mortgage loan is secured against Group's investment 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 property is 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 revalued as at 30 June 2018.

# NOTES TO FINANCIAL REPORT

## NOTE 14. FINANCIAL LIABILITIES

	2018	2017
	\$	\$
<b><u>Current</u></b>		
Mortgage loan <sup>(1)</sup>	1,605,760	-
<b><u>Non-Current</u></b>		
Mortgage loan <sup>(1)</sup>	-	1,606,896
Convertible notes <sup>(2)</sup>	1,485,959	-
<b>Total borrowings</b>	<b>3,091,719</b>	<b>1,606,896</b>

- (1) 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. The mortgage is repayable on 1 June 2019.
- (2) The interest payable on the convertible note has been accrued. The note holders have agreed to defer the payment of interest until 30 June 2020 (Refer Note 12).

## NOTE 15. ISSUED CAPITAL

	2018	2017	2018	2017
	\$	\$	No.	No.
<b>Movements in issued capital</b>				
Balance at beginning of financial year	11,790,449	10,589,121	138,062,238	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	11,790,449	138,062,238	138,062,238

## 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 2018 and 30 June 2017 were as follows:

	2018 \$	2017 \$
Total liabilities	3,492,359	2,989,947
Less cash and cash equivalents	(48,803)	(34,342)
Net debt/(cash)	3,443,556	2,955,605
Total equity	374,480	496,079
Gearing ratio	(9.20)	(5.96)

## NOTE 16. CONVERTIBLE NOTES

On 8 September 2017 the Group refinanced its management loan with the issue of \$1.5 million convertible notes to Regent Development Pty Ltd (a related party). The notes can be converted to shares at the election of the holders. Each note can be converted into 25 shares of Millennium Limited in the multiply of 1,000 shares. Interest of 9% per annum is payable every month.

	2018	2017
<b><u>Regent Development Pty Ltd</u></b>		
	\$	\$
Proceeds from issue of convertible notes (1,500,000 at \$1 each)	1,500,000	-
Amount classified as other contributed equity	(19,707)	-
Additional interest recognised in current period	5,666	-
Carrying amount of convertible notes	1,485,959	-

The convertible notes deemed to be compound financial instrument under AASB 132 due to its conversion feature. The equity is calculated as the difference between the face value of the convertible notes and the present value of the cash flows of the convertible notes using a commercial discount rate without the conversion option.

## NOTE 17. GROUP ENTITIES

Name	Country of Incorporation	Percentage Owned (%)	
The subsidiaries of Millennium Limited are:		2018	2017
Millennium QLD Pty Limited <sup>(1)</sup>	Australia	100	100
Millennium Notes One Pty Ltd <sup>(2)</sup>	Australia	100	-

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

(2) Millennium Notes One Pty Ltd was incorporated on 9<sup>th</sup> August 2018 as the trustee for the holder of convertible notes (refer Note 16).



# NOTES TO FINANCIAL REPORT

## 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.

## 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:

	2018 \$	2017 \$
Short-term benefits	105,000	105,000

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

	2018 \$	2017 \$
Related Party Payable to		
Jie Yang, Former Director <sup>(1)</sup>	-	144,955
Millennium Property Investments Pty Ltd <sup>(2)</sup>	150,000	1,000,000
Regent Development Pty Ltd <sup>(3)</sup>	1,595,069	-
	<u>1,745,069</u>	<u>1,144,955</u>

- (1) Balance represents cash provided to the Australian parent from Jie Yang (former director) via external parties to support the operation.
- (2) Balance represents a management loan provided by related entity of significant shareholder, Kin Lam and Director, Wei Huang. \$1,000,000 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. An additional of \$150,000 interest free advances, unsecured and repayable on demand management loan was provided during the year (Refer Note 12).
- (3) Balance payable relates to principal of convertible notes (Refer Note 16) and interest accrued on the principal (Refer Note 12). Regent Development Pty Ltd is a related entity where Wei Huang (Chairman) is a director.

# NOTES TO FINANCIAL REPORT

## NOTE 21. RELATED PARTY DISCLOSURE (CONT')

### Related Party Transactions

	2018	2017
	\$	\$
Zhejiang Yanghao Import & Export Co., Limited <sup>(1)</sup>	-	15,174
Super Global Textile Limited <sup>(2)</sup>		
Proceed from disposal of Millennium Towers Limited	-	1
Net liabilities disposed of Millennium Towers Limited	-	8,477,822
Jie Yang <sup>(3)</sup>		
Transfer of funds from (to) related party	(144,955)	4,985
Millennium Property Investments Pty Ltd <sup>(4)</sup>		
Transfer of funds from (to) related party	(850,000)	1,000,000
Regent Development Pty Ltd <sup>(5)</sup>		
Convertible notes issued	(1,500,000)	-
Interest on convertible notes	(109,110)	

(1) Management services fees charged to Zhejiang Yanghao Import & Export Co., Limited, related entity of Jiang Song, Director of the Group.

(2) 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.

(3) Former director and sister of Ms Yan Yang (Director).

(4) Balance represents a management loan provided by related entity of significant shareholder, Kin Lam and Director, Wei Huang. \$1,000,000 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. An additional of \$150,000 interest free advances, unsecured and repayable on demand management loan was provided during the year (Refer Note 12).

(5) Balance payable relates to principal of convertible notes (Refer Note 16) and interest accrued on the principal (Refer Note 12). Regent Development Pty Ltd is a related entity where Wei Huang (Chairman) is a director.

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

	2018	2017
	\$	\$
Net profit/(loss) after tax for the year	(141,306)	8,928,465
Non-cash flows in profit/(loss):		
- Gain on revaluation of investment property	(385,300)	-
- Gain on disposals of subsidiaries	-	(9,433,643)
- Effect of derecognition of foreign currency translation reserve	-	(441,476)
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	21,242	(46,922)
(Decrease) in trade and other payables	15,391	605,372
(Decrease)/Increase in revenue received in advance	525	-
<b>Net cash flow used in operating activities</b>	<b>(489,448)</b>	<b>(388,204)</b>

## 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 recognized 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 2018, the Group is not exposed to interest rate risk as the long-term borrowing has a fixed interest rate 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	
	2018	2017	2018	2017	2018	2017	2018	2017
	%	%						
Financial Assets								
Cash and Cash Equivalents	0.88	1.50	48,803	34,342			48,803	34,342
Trade and Other Receivables	-	-			7,181	13,942	7,181	13,942
Total Financial Assets			48,803	34,342	7,181	13,942	55,984	48,284
Financial Liabilities								
Borrowings	6.57	4.32	3,091,719	1,606,896	-	-	3,091,719	1,606,896
Trade and Other Payables	-	-	-	-	383,499	1,366,436	383,499	1,366,436
Total Financial Liabilities			3,091,719	1,606,896	383,499	1,366,436	3,492,359	2,973,332

# NOTES TO FINANCIAL REPORT

## NOTE 23. FINANCIAL RISK MANAGEMENT (CONT.)

### (a) 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 recognized 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 2017 and 2018. Other trade and other receivables that are not past due or impaired are considered to be of a high credit quality.

### (b) 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 2018, 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
<b>As at 30 June 2018</b>			
Trade and Other Payables	274,389	109,110	383,499
Financial Liabilities	1,605,760	1,500,000	3,105,760
Total financial liabilities	1,730,149	1,609,110	3,489,259
<b>As at 30 June 2017</b>			
Trade and Other Payables	1,366,436	-	1,366,436
Financial Liabilities	-	1,606,896	1,606,896
Total financial liabilities	1,383,051	1,606,896	2,973,332

Repayment of payables and borrowings are subjected to financial assistance of director related entities and/or capital raising. 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 16.

### (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

	2018	2017
	\$	\$
Current assets	35,199	36,662
Non-current assets	1,843,500	1,823,500
<b>Total assets</b>	<b>1,878,699</b>	<b>1,860,162</b>
Liabilities		
Current liabilities	88,863	1,331,896
Non-current liabilities	1,635,959	
<b>Total liabilities</b>	<b>1,724,822</b>	<b>1,331,896</b>
<b>Net (liabilities)</b>	<b>153,877</b>	<b>528,266</b>
Equity		
Issued capital	11,790,449	23,481,508
Accumulated (losses)	(11,656,279)	(22,953,242)
Other equity	19,707	-
<b>Total Equity</b>	<b>153,877</b>	<b>528,266</b>
Financial performance		
Profit (Loss) for the year	394,094	905,020
Other comprehensive income	-	-
<b>Total comprehensive income (loss)</b>	<b>394,094</b>	<b>905,020</b>

The Parent Entity has no commitments as at 30 June 2018 (2017: \$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

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## **NOTE 26.      EVENTS AFTER THE REPORTING PERIOD**

On 13 August 2018 Millennium Limited was suspended under Listing Rule 17.3 from Australian Stock Exchange (ASX) as the Group was determined under Listing Rule 12.1 that the Group's operations are not adequate to warrant the continued quotation of its securities.

The Group is in continuous discussion with ASX on the potential change of principle activities and re-compliance.

Other than the above 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

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The directors of the Company declare that:

1. the financial statements, as set out on pages 14 to 45 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 2018 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.

On behalf of the Directors



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Wei Huang  
Managing Director, Chairman

30 August 2018



# Independent Auditor's Report

## To the Members of Millennium 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 2018, 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 2018 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 auditor 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.

### **Material uncertainty related to going concern**

As at 30 June 2018, the Group's total current liabilities exceeded its total current assets by \$1.83 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. As stated in Note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant 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.

We have determined that there are no key audit matters to communicate in our report, except for the *material uncertainty related to going concern* disclosed above.

### **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 2018, 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](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

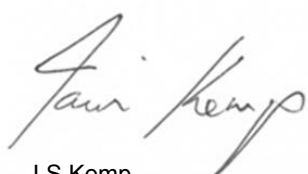
We have audited the Remuneration Report included in pages 6 to 10 of the Directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Millennium Limited, for the year ended 30 June 2018 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, 30 August 2018

# 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 24 August 2018.

## Distribution of Equity Securities

### Ordinary Share Capital

138,062,238 fully paid ordinary shares are held by 583 individual shareholders as at 24 August 2018.

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	271	1,095,682	0.79
5,001 - 10,000	214	1,251,478	0.91
10,001 - 100,000	56	1,535,252	1.11
100,001 and over	39	134,178,698	97.19
<b>Rounding</b>			<b>0.00</b>
<b>Total</b>	<b>583</b>	<b>138,062,238</b>	<b>100.00</b>

### 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	31,803,206	23.04
MR WEI HUANG	31,699,495	22.96
YAN YANG	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	31,803,206	23.04
2.	MR WEI HUANG	31,699,495	22.96
3.	YAN YANG	11,807,206	8.55
4.	MR AARON LANGLEY	10,504,000	7.61
5.	G & H BRASHER PTY LTD <THE BRASHER SUPER FUND A/C>	7,008,000	5.08
6.	LION CAPITAL MANAGEMENT LIMITED	7,000,000	5.07
7.	J P MORGAN NOMINEES AUSTRALIA LIMITED	5,136,127	3.72
8.	WEALTHY CONCEPT HOLDINGS LIMITED	4,189,726	3.03
9.	ZHENGHAI ZHONG	3,607,206	2.61
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.	MR GRAHAM BRASHER	854,787	0.62
15.	MRS YING LIU HUANG	754,000	0.55
16.	WAYTEX AUSTRALIA PTY LTD	754,000	0.55
17.	MR CHUN GANG REN	713,329	0.52
18.	MS QISHEN	694,504	0.50
19.	CITICORP NOMINEES PTY LIMITED	639,581	0.46
20.	AM RETAILS SERVICES PTY LTD	510,000	0.37
<b>Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)</b>		<b>128,385,168</b>	<b>92.99</b>
<b>Total Remaining Holders Balance</b>		<b>9,677,070</b>	<b>7.01</b>
<b>TOTAL</b>		<b>138,062,238</b>	<b>100.00</b>