

# **Millennium Limited**

## **HALF-YEAR REPORT**

FOR THE PERIOD ENDED 31 DECEMBER 2018

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ABN 52 133 453 531

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

## **DIRECTORS' REPORT**

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The Directors of Millennium Limited present their Report together with the financial statements of the consolidated entity, being Millennium Limited ('the Company') and its controlled entities ('the Group') for the half-year ended 31 December 2018.

### **DIRECTORS**

The names of Directors who held office during or since the end of the financial half-year are:

Mr. Wei Huang	Executive Chairman
Mr. Jiang Song	Executive Director
Mrs. Yan Yang	Non-executive Director
Mrs. Ying Liu Huang	Non-executive Director

### **COMPANY SECRETARY**

Mrs. Ying Liu Huang

### **PRINCIPAL ACTIVITIES**

The Group currently focuses on the integration of new business operations and further investment opportunities.

### **FINANCIAL RESULTS**

The consolidated loss of the Group amounted to \$200,795 (2017 consolidated loss: \$176,438), after providing for income tax. During the period, revenue was derived from rental income of the investment property.

### **FUTURE DEVELOPMENTS**

The Group continues to seek new business opportunities in Australia.

## **DIRECTORS' REPORT**

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### **SUBSEQUENT EVENTS AFTER REPORTING PERIOD**

On 31 January 2019 the Investment Property which was sold for \$3.8m to Hudson Investment Group Limited, settled. The proceeds from the sale were used to repay the bank borrowings and on 13 February 2019 the Group paid \$1,693,428 to settle the Convertible Notes and associated interest.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future periods.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 4 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



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Wei Huang  
Executive Chairman

Dated the 27<sup>th</sup> Day of February 2019

## 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 review of Millennium Limited for the half-year ended 31 December 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



I S Kemp  
Partner – Audit & Assurance

Adelaide, 27 February 2019

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	31 December 2018	31 December 2017
		\$	\$
Revenue	4	104,366	99,691
Other Income		23,230	268
Administration expenses		(222,241)	(197,482)
Finance expenses		(106,150)	(78,915)
<b>(Loss) before tax</b>		<b>(200,795)</b>	<b>(176,438)</b>
Income tax expense		-	-
<b>(Loss) for the period</b>		<b>(200,795)</b>	<b>(176,438)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>		-	-
Total comprehensive income for the period attributable to owners		<b>(200,795)</b>	<b>(176,438)</b>
<b>Earnings (loss) per share attributable to the owners</b>			
Basic and diluted (cents)	7	(0.15)	(0.13)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

<b>Consolidated Group</b>			
	<b>Note</b>	<b>31 December 2018</b>	<b>30 June 2018</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		41,859	48,803
Trade and other receivables		18,855	7,181
Other current asset		3,821	10,855
<b>TOTAL CURRENT ASSETS</b>		<b>64,535</b>	<b>66,839</b>
<b>NON-CURRENT ASSETS</b>			
Investment property	5	3,800,000	3,800,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,800,000</b>	<b>3,800,000</b>
<b>TOTAL ASSETS</b>		<b>3,864,535</b>	<b>3,866,839</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	401,290	274,389
Revenue received in advance		17,141	17,141
Borrowings		1,605,760	1,605,760
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,024,191</b>	<b>1,897,290</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		177,166	109,110
Financial liabilities		1,489,493	1,485,959
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,666,659</b>	<b>1,595,069</b>
<b>TOTAL LIABILITIES</b>		<b>3,690,850</b>	<b>3,492,359</b>
<b>NET ASSETS</b>		<b>173,685</b>	<b>374,480</b>
<b>EQUITY</b>			
Issued capital		11,790,449	11,790,449
Other contributed equity		19,707	19,707
Accumulated losses		(11,636,471)	(11,435,676)
<b>TOTAL EQUITY</b>		<b>173,685</b>	<b>374,480</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Issued Capital	Accumulated Losses	Other Contributed Equity	Total Equity
	\$	\$	\$	\$
<b>Balance as at 1 July 2018</b>	11,790,449	(11,435,676)	19,707	374,480
Total profit or loss for the period	-	(200,795)	-	(200,795)
<b>Balance as at 31 December 2018</b>	<b>11,790,449</b>	<b>(11,636,471)</b>	<b>19,707</b>	<b>173,685</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 period	-	(176,438)	-	(176,438)
Issue of convertible notes	-	-	19,707	19,707
<b>Balance as at 31 December 2017</b>	<b>11,790,449</b>	<b>(11,470,808)</b>	<b>19,707</b>	<b>339,348</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	31 December 2018	31 December 2017
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	115,913	97,018
Payments to suppliers and employees	(245,339)	(363,863)
Finance costs	(34,560)	(34,560)
Interest received	9	268
GST received	7,033	25,435
Net cash provided by (used in) operating activities	<u>(156,944)</u>	<u>(275,702)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan from / (repayment to) related parties	150,000	(1,144,955)
Mortgage principal repayment	-	(1,136)
Proceed from issue of convertible notes	-	1,500,000
Net cash provided by (used in) financing activities	<u>150,000</u>	<u>353,909</u>
Net (decrease) increase in cash and cash equivalents	(6,944)	78,207
Cash and cash equivalents brought forward	<u>48,803</u>	<u>34,342</u>
Cash and cash equivalents at end of period	<u><b>41,859</b></u>	<u><b>112,549</b></u>

The accompanying notes form part of these financial statements.



#### **NOTE 1: GENERAL INFORMATION AND BASIS OF PREPARATION**

Millennium Limited is a profit-oriented entity limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2018 and are presented in Australian Dollars (\$AUD), which is the presentation currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2018 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 27 February 2019.

#### **NOTE 2: GOING CONCERN**

During the six month ended 31 December 2018 the Group incurred a net loss of \$200,795. The consolidated entity's ability to continue as a going concern is contingent upon the continued financial support of directors and shareholders, new business acquisition and/or capital injection.

The Directors note that the matters outlined above indicate material uncertainty, which may cast significant doubt on the ability of the Group to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business, if the continued financial support of related parties is not maintained, new business growth is not achieved and/or capital not injected. 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.

#### **NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2018 with the exception of the adoption of AASB 9 Financial Instruments (2014) and AASB 15 Revenue from Contracts with Customers.

The Group has adopted AASB 9 and AASB 15 at 1 July 2018. AASB 15 contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time and over time. AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities.

There have been no significant changes to the Group's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2018.

**NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**Revenue**

AASB 15 provides new guidance for determining when the Group should recognise revenue. The new revenue recognition model is based on the principle that revenue is recognised when control of a good or service is transferred to a customer – either at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, or how much revenue is recognised.

The Group's revenue is comprised of contracts with customers for rent of the investment property. The Group has concluded that rental revenue from the investment property should be recognised at the over time. Revenue is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates and trade discounts.

There has been no impact on the Group's previously reported financial performance or financial position following the adoption of AASB 15.

**Financial Instruments**

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement requirements. AASB 9 addresses the classification, measurement and derecognition of financial assets, financial liabilities and hedging and a new impairment model for financial assets. The Group adopted AASB 9 from 1 July 2018 and the standard has been applied retrospectively.

*Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and initial measurement of financial assets*

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

*Subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

*Financial assets at amortised cost*

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade and most other receivables fall into this category. The change in classification has not impacted the carrying value of the Group's financial assets.

**NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

*Impairment of financial assets*

AASB 9 introduces a new impairment model which requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses. The new model applies to the Group's trade receivables.

The Group uses a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group have assessed the impact of the impairment model and no adjustment was required in Group's financial statements.

*Classification and measurement of financial liabilities*

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9.

**NOTE 4: REVENUE AND OTHER INCOME**

- a) Revenue represents rental income generated from the investment property held by the Group.
- b) Revenue is generated in Australia.
- c) Revenue is recognised over time.

**NOTE 5: INVESTMENT PROPERTY**

	<b>Consolidated Group</b>	
	<b>31 December 2018</b>	<b>30 June 2018</b>
Investment property	\$	\$
Carrying Value <sup>(1)</sup>	3,800,000	3,800,000
Total investment property	<u>3,800,000</u>	<u>3,800,000</u>

	<b>Consolidated Group</b>	
	<b>31 December 2018</b>	<b>30 June 2018</b>
Movements in investment property	\$	\$
Opening Balance	3,800,000	3,414,700
Revaluation gain	-	385,300
Closing Balance	<u>3,800,000</u>	<u>3,800,000</u>

<sup>(1)</sup> The Group's mortgage loan is secured over Group's property in Queensland.

**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. Valuations are based on current prices for similar properties in the same location and condition.

On 31 January 2019 the Investment Property which was sold for \$3.8m to Hudson Investment Group Limited, settled.

Millennium Limited  
Half-Year Financial Report period ended 31 December 2018  
**NOTE 6: TRADE AND OTHER PAYABLES**

	<b>Consolidated Group</b>	
	<b>31 December 2018</b>	<b>30 June 2018</b>
	\$	\$
<i>Current</i>		
Trade payables	66,750	89,849
Customer deposits	34,540	34,540
Related party payables <sup>(1)</sup>	300,000	150,000
	<u>401,290</u>	<u>274,389</u>
<i>Non-current</i>		
Interest payable <sup>(2)</sup>	177,166	109,110
	<u>177,166</u>	<u>109,110</u>

1. Related party payables relate to interest-free advances from related parties and were unsecured and repayable on demand. This includes a \$300,000 management loan from Millennium Property Investments Pty.
2. The interest payable on the convertible note has been accrued. The note holders have agreed to defer the payment of the interest until 30 June 2020.

**NOTE 7: EARNINGS PER SHARE**

	<b>Consolidated Group</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	\$	\$
<i>Earnings per share for profit (loss) attributable to owners of the parent</i>		
Net profit (loss) attributable to Owners of the Parent	(200,795)	(176,438)
Basic and diluted earnings (loss) per share	(0.15)	(0.13)
There are no dilutive securities on issue.		
Weighted average number of ordinary shares outstanding during year used in calculating basic and diluted earnings	138,062,238	138,062,238

**NOTE 8: OPERATING SEGMENTS**

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and has concluded at this time that there are no separately identifiable segments.

**NOTE 9: GROUP ENTITIES**

The subsidiaries of Millennium Limited are

<b>Name</b>	<b>Country of Incorporation</b>	<b>Percentage Owned (%)</b>	
		<b>2018</b>	<b>2017</b>
Millennium QLD Pty Ltd	Australia	100%	100%
Millennium Notes One Pty Ltd	Australia	100%	100%

Millennium Limited  
Half-Year Financial Report period ended 31 December 2018  
**NOTE 10: RELATED PARTY TRANSACTIONS**

**Related Party Balances**

**Consolidated Group**

	<b>31 December 2018</b>	<b>30 June 2018</b>
	\$	\$
Payable to		
Millennium Property Investments Pty Ltd	300,000	150,000
Regent Development Pty Ltd	1,666,659	1,595,069
	<u>1,966,659</u>	<u>1,745,069</u>

**Related Party Transactions**

**Consolidated Group**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	\$	\$
Repayment made to related parties		
Jie Yang, Former Director	-	(144,955)
Millennium Property Investments Pty Ltd	-	(1,000,000)
Proceeds from related parties		
Millennium Property Investments Pty Ltd	150,000	-
Convertible notes issued to Regent Development Pty Ltd	-	(1,500,000)
Interest on convertible notes owing to Regent Development Pty Ltd	(68,056)	(42,165)

**NOTE 11: DIVIDENDS**

There has been no dividend declared or paid during the half-year ended 31 December 2018 (30 June 2018: nil).

**NOTE 12: CONTINGENT LIABILITIES**

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

**NOTE 13: EVENTS SUBSEQUENT TO BALANCE DATE**

On 31 January 2019 the Investment Property which was sold for \$3.8m to Hudson Investment Group Limited, settled. The proceeds from the sale were used to repay the bank borrowings and on 13 February 2019 the Group paid \$1,693,428 to settle the Convertible Notes and associated interest.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future periods.

Millennium Limited  
Half-Year Financial Report period ended 31 December 2018  
**DIRECTORS' DECLARATION**

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The Directors of Millennium Limited declare that:

The consolidated financial statements and notes, as set out on pages 5 to 13:

- a. Comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.
- b. Give a true and fair view of its financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

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 2 - Going Concern.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors



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Wei Huang  
Executive Chairman

Dated the 27<sup>th</sup> day of February 2019

# Independent Auditor's Review Report

## To the Members of Millennium Limited

### Report on the review of the half year financial report

#### Conclusion

We have reviewed the accompanying half year financial report of Millennium (the Company) and its subsidiaries (the Group), which comprises the consolidated condensed statement of financial position as at 31 December 2018, and the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Millennium Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

#### Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$200,795 during the half year ended 31 December 2018. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year 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 half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Millennium Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



I S Kemp  
Partner – Audit & Assurance

Adelaide, 27 February 2019