MILLENNIUM LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

ABN 52 133 453 531

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

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CORPORATION INFORMATION

This annual report covers both Millennium Limited, "MHD" (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
Executive Chairman
Appointed on 28 November 2008

Mr. Jiang Song
Dip. Business Administration
Executive Director
Appointed on 7 September 2015

Ms. Ying Liu Huang
B.Ec, M. Com
Non-Executive Director
Appointed on 26 November 2015

Ms. Yan Yang
Dip. Civil Engineering
Non-Executive Director
Appointed on 21 May 2014

Company Secretary

Ms Ying Liu Huang - Appointed from 26th November 2015

Registered Office
9U, 175 Lower Gibbes Street
Chatswood NSW 2067

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

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 2019.

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 2019, Millennium Ltd (the "Company") and its controlled entities (the "Group"), made net loss of $368,942 (2018: $141,306).

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 liability position of $14,169 (2018: net asset position of $374,480).

Future Developments, Prospects and Business Strategies

The Group continues to seek new business opportunities in Australia.

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 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.

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 2019.

Events after the Reporting Period

There are no matters or circumstances that have arisen since the end of the year that have significantly affected of 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.

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.

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)

<u>Names, Qualifications, Experience and Special Responsibilities</u>

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 11 years experience working in Australian and international property developments.

Mr Wei Huang is an Executive Director of Hudson Investment Group Limited, appointed in June 2019

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.

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 Group 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 in a major IT company for 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.

Meetings of Directors

During the financial year, 1 meeting of directors were held. Attendances by each director during the year were as follows:

	Number of Meetings eligible to attend	**Number of Meetings attended**
Wei Huang	1	1
Jiang Song	1	1
Ying Liu Huang	1	1
Yan Yang	1	1

<u>Nomination and Remuneration Committee</u>

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.

<u>Audit and Risk Committee</u>

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 $57,475 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.

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	8,507,206	-	8,507,206
Ying Liu Huang	754,000	-	754,000
Wei Huang	35,712,824	754,000*	36,466,824
Jiang Song	-	-	-

***Wei Huang has indirect interest in the Group through shareholding interest in Waytex Australia Pty Ltd.

There are no options on issue.

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.

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
Directors			
Wei Huang	39,000	1 year	1 month
Ying Liu Huang	39,000	1 year	1 month
Yan Yang	-	1 year	1 month
Jiang Song	-	1 year	1 month

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

Voting and comments made at the Company's 2018 Annual General Meeting

Millennium Ltd received 99.82% of 'yes' votes on its remuneration report for the financial year ended 30 June 2018. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

DIRECTORS' REPORT

Directors and other Key Management Personnel remuneration

	Year	Short term employee benefits			Post-employment benefits		Total
		Director Fee	Other Services	Non-monetary benefits	Superannuation	Long service leave	
Directors							
Wei Huang	2019	39,000	-	-	-	-	39,000
Managing Director, Chairman and Chief Executive Officer (Appointed 28 November 2008)	2018	39,000	-	-	-	-	39,000
Ying Liu Huang[(2)]	2019	39,000	27,000	-	-	-	66,000
Non-executive Director and Company Secretary (Appointed 26 November 2015)	2018	39,000	27,000	-	-	-	66,000
Yan Yang[(1)]	2019	-	-	-	-	-	-
Non-executive Director (Appointed 11 August 2017)	2018	-	-	-	-	-	-
Jiang Song[(1)]	2019	-	-	-	-	-	-
Executive Director (Appointed 21 May 2014)	2018	-	-	-	-	-	-
Key Management Personnel				-			
2019 Total		**78,000**	**27,000**	-	**-**	**-**	**105,000**
2018 Total		**78,000**	**27,000**	-	**-**	**-**	**105,000**

1. 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.
2. Company secretarial and accounting fees of $27,000 were paid to Ms Ying Huang in addition to director fees

	Opening balance	Net Change Other	Closing balance	% of Total Shares on Issue
Directors				
Wei Huang Managing Director, Chairman and Chief Executive Officer (Appointed 28 November 2008)	32,453,495	4,013,329*	36,466,824	26.41%
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	(3,300,000)*	8,507,206	6.16%
Jiang Song Executive Director (Appointed 21 May 2014)	-	-	-	-

* Off market transfer on 25 September 2018

Related Party Balances

	2019 $	2018 $
Related Party Payable to		
Wei Huang	9,750	9,750
Ying Liu Huang	16,500	16,500
Millennium Property Investments Pty Ltd(2)	50,000	150,000
Regent Development Pty Ltd(3)	-	1,595,069
	76,250	1,771,319

Related Party Transactions	2019 $	2018 $
Jie Yang(1)		
Transfer of funds from (to) related party	-	(144,955)
Millennium Property Investments Pty Ltd(2)		
Transfer of funds from (to) related party	(100,000)	(850,000)
Regent Development Pty Ltd(3)		
Convertible notes issued	1,500,000	(1,500,000)
Interest on convertible notes	193,438	(109,110)

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

(2) Balance represents a management loan provided by related entity of significant shareholder, Kin Lam and Director, Wei Huang. An additional of $200,000 interest free advances, unsecured and repayable on demand management loan was provided during the 2019 and $300,000 was repaid during 2019 (Refer Note 10).

(3) Balances relate to amounts repaid to Regent Developments Pty Ltd. Regent Development Pty Ltd is a related entity where Wei Huang (Chairman) is a director.

End of Remuneration Report

DIRECTORS' REPORT

Auditor Independence and Non-Audit Services

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

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

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

	Consolidated Group	
	2019	**2018**
	$	**$**
Taxation compliance	3,700	6,700

The Auditor's Independence declaration for the year ended 30 June 2019 has been received and can be found at page 10 of this report.

Signed in accordance with a resolution of the Directors.

Wei Huang
Managing Director, Chairman

28 August 2019

Grant Thornton

Level 3, 170 Frome Street
Adelaide SA 5000

Correspondence to:
GPO Box 1270
Adelaide SA 5001

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

Auditor's Independence Declaration

To the Directors of Millennium Limited

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 2019, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Ian Kemp

I S Kemp
Partner – Audit & Assurance

Adelaide, 28 August 2019

CORPORATE GOVERNANCE STATEMENT

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

The Group’s Corporate Governance Statement for the financial year ending 30 June 2019 is dated as at 30 June 2019 and was approved by the Board on 28 August 2019. The Corporate Governance Statement is available on Millennium Limited website at www.millenniumltd.com.au.

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR FINANCIAL YEAR ENDED 30 JUNE 2019

		Consolidated Group	
		2019	**2018**
	Note	**$**	**$**
Revenue	3	127,311	200,249
Other income	3	23,252	365
Administrative expenses	4.1	(400,602)	(543,191)
Finance costs		(118,903)	(184,029)
Gain from revaluation of investment property	11	-	385,300
Loss before income tax		(368,942)	(141,306)
Income tax expense	5	-	-
Loss for the year		**(368,942)**	**(141,306)**
Other comprehensive (loss)/income for the year, net of tax		-	-
Total comprehensive income attributable to owners of the parent		**(368,942)**	**(141,306)**
Earnings / (loss) per share attributable to the owners			
Basic and diluted (cents)	6	(0.27)	(0.10)

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 2019

	Note	Consolidated Group	
		2019	**2018**
		$	**$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	71,247	48,803
Trade and other receivables	9	-	7,181
Other current assets		10,380	10,855
TOTAL CURRENT ASSETS		**81,627**	**66,839**
NON-CURRENT ASSETS			
Investment property	11	-	3,800,000
TOTAL NON-CURRENT ASSETS		**-**	**3,800,000**
TOTAL ASSETS		**81,627**	**3,866,839**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	95,796	274,389
Revenue received in advance		-	17,141
Financial liabilities	12	-	1,605,760
TOTAL CURRENT LIABILITIES		**95,796**	**1,897,290**
NON-CURRENT LIABILITIES			
Trade and other payables	10	-	109,110
Financial liabilities	12	-	1,485,959
TOTAL NON-CURRENT LIABILITIES		**-**	**1,595,069**
TOTAL LIABILITIES		**95,796**	**3,492,359**
NET ASSETS / (LIABILITIES)		**(14,169)**	**374,480**
EQUITY			
Issued capital	13	11,790,449	11,790,449
Other contributed equity	14	-	19,707
Accumulated losses		(11,804,618)	(11,435,676)
TOTAL EQUITY / (DEFICIT)		**(14,169)**	**374,480**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Issued Capital $	Accumulated Losses $	Reserves $	Total $
Balance as at 1 July 2017		**11,790,449**	**(11,294,370)**	**-**	**496,079**
Total profit or loss for the year		-	(141,306)	-	(141,306)
Other comprehensive income Other equity		-	-	19,707	19,707
Balance as at 30 June 2018		**11,790,449**	**(11,435,676)**	**19,707**	**374,480**
Balance as at 1 July 2018		**11,790,449**	**(11,435,676)**	**19,707**	**374,480**
Total profit or loss for the year		-	(368,942)	-	(368,942)
Other comprehensive income Other equity		-	-	(19,707)	(19,707)
Balance as at 30 June 2019		**11,790,449**	**(11,804,618)**	**-**	**(14,169)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR FINANCIAL YEAR ENDED 30 JUNE 2019

	Notes	Consolidated Group 2019	2018
		$	$
Cash Flows from operating activities			
Receipts from customers		106,032	207,536
Payments to suppliers and employees		(444,655)	(640,284)
Interest received		31	365
GST received		474	12,188
Finance costs		(118,903)	(69,253)
Net cash used in operating activities	20	(457,021)	(489,448)
Cash Flows from investing activities			
Proceeds from the disposal of investment property		3,800,000	-
Net cash from investing activities		3,800,000	-
Cash Flows from financing activities			
Repayment for mortgage principal		(1,527,098)	(1,136)
(Repayment) / Proceeds from issuance of convertible notes		(1,693,438)	1,500,000
Proceeds from related parties		200,000	150,000
Repayment to related parties		(300,000)	(1,144,955)
Net cash from financing activities		(3,320,536)	503,909
Net increase/(decrease) in cash and cash equivalents		22,443	14,461
Cash and cash equivalents at beginning of financial year		48,803	34,342
Cash and cash equivalents at end of financial year	8	**71,247**	**48,803**

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

NOTES TO FINANCIAL REPORT

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

NOTE 1. GOING CONCERN

As at 30 June 2019, the Group incurred a net loss of $368,942 during the year ended 30 June 2019 and the Group total current liabilities exceeded its total current assets by $14,169. 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, 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 to maintain its on-going operations and hence have prepared the financial statements on a going-concern basis.

NOTE 2. 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 2019 were approved and authorised for issue by the Board of Directors on 28 August 2019.

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.

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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 15 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.

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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.

e. Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Classification and subsequent measurement of financial assets

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).

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

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL).

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

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. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

NOTES TO FINANCIAL REPORT

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Accounting policies applicable to comparative period (30 June 2018)

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.

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.

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.

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.

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 if 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.

Financial liabilities

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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.

Classification and subsequent measurement

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 10.

NOTES TO FINANCIAL REPORT

NOTE 2. 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.

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.

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

l. Revenue and Other Income

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. Revenue is recognized overtime.

Accounting policies applicable to comparative period (30 June 2018)

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.

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 2(c).

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

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

o. Comparative Figures

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

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.

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

AASB 15 Revenue from Contracts with Customers

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 be 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.

AASB 9 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.

NOTES TO FINANCIAL REPORT

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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.

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.

NOTES TO FINANCIAL REPORT

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

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

Standard / Interpretation	Effective for annual periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 'Leases' This standard requires lessess 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: • Recognize right or 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; • Recognize depreciation of right to use lease assets and interest on lease liabilities over the lease term; • Separately present the principal amount of cash paid and interest in the cash flow statement as a financing activity.	1 January 2019	30 June 2020

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.

NOTE 3. REVENUE

	2019	2018
	$	$
Rental income[1]	127,311	200,249
Interest revenue	31	365
Gain from insurance claims	23,221	-
	150,563	200,614

[1] Rental income has arisen from the lease of property that was owned by the Group refer Note 11.

NOTES TO FINANCIAL REPORT

NOTE 4. PROFIT/(LOSS) BEFORE TAXATION FROM CONTINUING OPERATIONS

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

	2019	2018
	$	$
Audit and review of financial statement	32,946	72,945
Employee benefit expenses	82,041	78,000
ASX and share registry expenses	49,199	60,347
Insurance expenses	62,031	51,902
Other professional expenses	57,250	88,308
Accounting expenses	27,000	27,000
Other property acquisition expense	25,000	72,376
Utilities charges	19,276	29,373
Land tax	30,041	50,000
Taxation compliance	3,700	6,700
Other administrative expenses	12,118	6,240
	400,602	543,191

4.2 AUDITORS' REMUNERATION

	2019	2018
	$	$
Audit services		
Audit and review of financial statement	32,946	72,945
Non-audit services		
Tax compliance	3,700	6,700
Total auditors remuneration	**36,646**	**79,645**

NOTE 5. TAXATION

	2019	2018
	$	**$**
Income tax expense attributable to:		
Profit from continuing operation	-	-

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

	2019	2018
	$	**$**
Profit (loss) before income tax expense from continuing operation	(368,942)	(141,306)
	(368,942)	(141,306)
Prima facie tax at 27.5% (2018: 27.5%)	(101,459)	(38,859)
Timing differences not recognised	-	(105,958)
Tax losses not recognized /(recouped)	101,459	144,816
	-	-

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 2(b).

The Group has tax losses arising in Australia of $3,410,652 (2018: $3,468,287) 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.

NOTE 6. EARNINGS PER SHARE

	2019	2018
	$	**$**
Earnings per share for profit		
Net (loss) attributable to Owners of the Parent	(368,942)	(141,306)
Basic and diluted (loss) per share	(0.27)	(0.10)
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	138,062,238
Weighted average number of ordinary shares outstanding during year used in calculating the diluted earnings per share	138,062,238	138,062,238

NOTES TO FINANCIAL REPORT

NOTE 7. 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.

NOTE 8. CASH AND CASH EQUIVALENTS

	2019	2018
	$	$
Cash at bank	71,247	48,803

NOTE 9. TRADE AND OTHER RECEIVABLES

	2019	2018
	$	$
Trade receivables	-	7,181

NOTE 10. TRADE AND OTHER PAYABLES

	2019	2018
	$	$
Current		
Trade payables	45,796	89,849
Customer deposits	-	34,540
Related party payables(1)	50,000	150,000
Non-current		
Interest payable(2)	-	109,110
	95,796	383,499

1. Related party payables relate to interest-free advances from related parties and are unsecured and repayable on demand. (Refer Note 19)
2. Interest payable on the convertible note was repaid during the year.

NOTE 11. INVESTMENT PROPERTY

	2019	2018
	$	$
Carrying value	-	3,800,000
Total investment property	-	3,800,000

Movements in investment property	**2019**	**2018**
	$	**$**
Opening balance	3,800,000	3,414,700
Disposals	(3,800,000)	-
Revaluation gain	-	385,300
Closing balance	-	3,800,000

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. The investment property was revalued as at 30 June 2018.

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.

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

NOTE 12. FINANCIAL LIABILITIES

	2019	**2018**
	$	**$**
<u>Current</u>		
Mortgage loan(1)	-	1,605,760
<u>Non-Current</u>		
Convertible notes(2)	-	1,485,959
Total borrowings	-	3,091,719

(1) The Group's interest only mortgage is secured against Group's property in Queensland (Refer Note 11). This property was sold during the year and the mortgage repaid.
(2) The convertible note was repaid in full on 13 February 2019.

NOTE 13. ISSUED CAPITAL

	2019	2018	2019	2018
Movements in issued capital	**$**	**$**	**No.**	**No.**
Balance at beginning of financial year	11,790,449	11,790,449	138,062,238	138,062,238
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.

The gearing ratios at 30 June 2019 and 30 June 2018 were as follows:

	2019	2018
	$	**$**
Total liabilities	95,796	3,492,359
Less cash and cash equivalents	(71,247)	(48,803)
Net debt/(cash)	24,549	3,443,556
Total equity	(14,196)	374,480
Gearing ratio	(1.73)	(9.20)

NOTE 14. 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.

	2019	2018
Regent Development Pty Ltd		
	$	**$**
Opening balance of convertible notes	1,485,959	-
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
Repayment of convertible notes	(1,485,959)	-
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. The convertible notes were repaid on 13 February 2019.

NOTE 15. GROUP ENTITIES

Name	Country of Incorporation	Percentage Owned (%)	
The subsidiaries of Millennium Limited are:		**2019**	**2018**
Millennium QLD Pty Limited(1)	Australia	100	100
Millennium Notes One Pty Ltd(2)	Australia	100	100

(1) Millennium QLD Pty Ltd was incorporated on 21 March 2017 for the purchase of investment property which has been sold during the year.

(2) Millennium Notes One Pty Ltd was incorporated on 9th August 2018 as the trustee for the holder of convertible notes. These notes were repaid during the 2019 financial year.

NOTE 16. COMMITMENTS

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

NOTE 17. CONTINGENT LIABILITIES

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

NOTE 18. KEY MANAGEMENT PERSONNEL ("KMP")

Remuneration paid or payable to KMP

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

	2019 $	**2018 $**
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 19.

NOTE 19. RELATED PARTY DISCLOSURE

Related Party Balances

	2019 $	**2018 $**
Related Party Payable to		
Wei Huang	9,750	9,750
Ying Liu Huang	16,500	16,500
Millennium Property Investments Pty Ltd(1)	50,000	150,000
Regent Development Pty Ltd(2)	-	1,595,069
	76,250	1,771,319

(1) Balance represents a management loan provided by related entity of significant shareholder, Kin Lam and Director, Wei Huang. An additional of $200,000 interest free advances, unsecured and repayable on demand management loan was provided during 2019 and $300,000 was repaid during 2019 (Refer Note 10).

(2) Convertible notes including accrued interest were repaid on 13 February 2019.

Related Party Transactions

	2019 $	2018 $
Jie Yang(1)		
Transfer of funds from (to) related party	-	(144,955)
Millennium Property Investments Pty Ltd(2)		
Transfer of funds from (to) related party	100,000	(850,000)
Regent Development Pty Ltd(3)		
Convertible notes (issued) / repaid	1,500,000	(1,500,000)
Interest on convertible notes – (accrued) / repaid	193,438	(109,110)

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

(2) Balance represents a management loan provided by related entity of significant shareholder, Kin Lam and Director, Wei Huang. An additional of $200,000 interest free advances, unsecured and repayable on demand management loan was provided during 2019 and $300,000 was repaid during 2019 (Refer Note 10).

(3) Balances relates to amounts repaid to Regent Development Pty Ltd. 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.

NOTE 20. CASH FLOW INFORMATION

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

	2019 $	2018 $
Net profit/(loss) after tax for the year	(368,942)	(141,306)
Non-cash flows in profit/(loss):		
- Gain on revaluation of investment property	-	(385,300)
Changes in assets and liabilities		
Decrease in trade and other receivables	7,655	21,242
(Decrease)/Increase in trade and other payables	(78,593)	15,391
(Decrease)/Increase in revenue received in advance	(17,141)	525
Net cash flow used in operating activities	**(457,021)**	**(489,448)**

NOTE 21. 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 2019, 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.

Financial instrument composition

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	%	%						
Financial Assets								
Cash and Cash Equivalents	0.01	0.88	71,247	48,803	-	-	71,247	48,803
Trade and Other Receivables	-	-	-	-	-	7,181	-	7,181
Total Financial Assets			71,247	48,803	-	7,181	71,247	55,984
Financial Liabilities								
Borrowings	-	6.57	-	3,091,719	-	-	-	3,091,719
Trade and Other Payables	-	-	-	-	95,796	383,499	95,796	383,499
Total Financial Liabilities			-	3,091,719	95,796	383,499	95,796	3,475,218

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 2018 and 2019. 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 2019, the Group's liabilities have contractual maturities which are summarised below:

Financial liabilities	Maturing less than 1 year $	Maturing more than 1 year but not more than 2 years $	Total
As at 30 June 2019			
Trade and Other Payables	95,796	-	95,796
Financial Liabilities	-	-	-
Total financial liabilities	95,756	-	95,796
As at 30 June 2018			
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

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

(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.

NOTE 22. PARENT COMPANY INFORMATION

	2019 $	2018 $
Current assets	70,640	35,199
Non-current assets	-	1,843,500
Total assets	**70,640**	**1,878,699**
Liabilities		
Current liabilities	95,797	238,863
Non-current liabilities	330,260	1,595,069
Total liabilities	**426,053**	**1,833,932**
Net (liabilities)/assets	**(355,417)**	**44,767**
Equity		
Issued capital	11,790,449	11,790,449
Accumulated losses	(12,145,866)	(11,765,389)
Other equity	-	19,707
Total Equity	**(355,417)**	**44,767**
Financial performance		
Loss for the year	(380,477)	(503,203)
Other comprehensive income	-	-
Total comprehensive income (loss)	**(380,477)**	**(503,203)**

The Parent Entity has no commitments as at 30 June 2019 (2018: $nil)

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

NOTE 23. 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.

NOTE 24. EVENTS AFTER THE REPORTING PERIOD

There are no matters or circumstances that have arisen since the end of the year that have significantly affected of may significantly affect either:

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

Directors' Declaration

The directors of the Company declare that:

1. the financial statements, as set out on pages 12 to 38 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 2019 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 2.

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

Wei Huang
Managing Director, Chairman

28 August 2019

Level 3, 170 Frome Street
Adelaide SA 5000

Correspondence to:
GPO Box 1270
Adelaide SA 5001

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

Independent Auditor's Report

To the Members of Millennium Limited

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 2019, 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 2019 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

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of $368,942 during the year ended 30 June 2019, and as of that date, the Group's current liabilities exceeded its total assets by $14,169. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

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

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 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Millennium Limited, for the year ended 30 June 2019 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Iain Kemp

I S Kemp
Partner – Audit & Assurance

Adelaide, 28 August 2019

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 27 August 2019.

Distribution of Equity Securities

Ordinary Share Capital

138,062,238 fully paid ordinary shares are held by 581 individual shareholders as at 27 August 2019.

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	37	134,178,698	97.19
Rounding			**0.00**
Total	**581**	**138,062,238**	**100.00**

Unmarketable Parcels

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

Substantial Shareholders

Ordinary Shares	Fully Paid	
	Number	Percentage
MR WEI HUANG	35,712,824	25.87
MR KIN LAM	35,410,412	25.65
MR AARON LANGLEY	10,504,000	7.61
YAN YANG	8,507,206	6.16
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 WEI HUANG	35,712,824	25.87
2.	MR KIN LAM	35,410,412	25.65
3.	MR AARON LANGLEY	10,504,000	7.61
4.	YAN YANG	8,507,206	6.16
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.	BIOGIENE PTY LTD	3,510,000	2.54
10.	TELRON PTY LTD <BROOKS FAMILY A/C>	3,500,000	2.54
11.	SUNNY SEASON FINANCE LIMITED	2,700,001	1.96
12.	MR ANTHONY MANFRE	1,000,000	0.72
13.	MR GRAHAM BRASHER	854,787	0.62
14.	MRS YING LIU HUANG	754,000	0.55
15.	WAYTEX AUSTRALIA PTY LTD	754,000	0.55
16.	MS QI SHEN	694,504	0.50
17.	CITICORP NOMINEES PTY LIMITED	639,581	0.46
18.	AM RETAILS SERVICES PTY LTD	510,000	0.37
19.	CAPTIVE SERVICES PTY LTD	510,000	0.37
20.	MS TSAI-HUI HSUEN	500,000	0.36
	Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)	**129,395,168**	**93.72**
	Total Remaining Holders Balance	**8,667,070**	**6.28**
	TOTAL	**138,062,238**	**100.00**