STORY-I LIMITED

and its controlled entities

ACN 163 916 989

Half Year Financial Report

For the half year ended 31 December 2016





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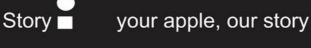
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CORPORATE PARTICULARS

Directors	Mr Djohan Widodo Mr Michael Chan Mr Michael Pixley	Chairman Executive Director Non-Executive Director
Company Secretary	Mr Brett Crowley	
Registered Office	Suite 904, 9F, 37 Bligh Street SYDNEY, NSW, AUSTRALIA, 2000	
Corporate Office	Suite 904, 9F, 37 Bligh Street SYDNEY, NSW, AUSTRALIA, 2000	
Share Registry	Boardroom Pty Ltd Level 12, 225 George Street SYDNEY, NSW, AUSTRALIA, 2000	
Auditor	Bentleys NSW Audit Pty Ltd Level 10, 10 Spring Street SYDNEY, NSW, AUSTRALIA, 2000	





DIRECTORS' REPORT

The Directors of Story-I Limited ("Story-I" or "the Company") present their financial report on the Company and its controlled entities PT Inetindo Infocom and Story-I Pte Ltd (the "Group") for the half year ended 31 December 2016.

Directors

The names of directors who held office during or since the end of the half year are:

- Djohan Widodo, Chairman
- Michael Chan, Executive Director
- Michael Pixley, Non-Executive Director

Directors were in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The profit attributable to members of Story-I Limited for the half year ended 31 December 2016 (report period) was \$687,325 (2015: \$844,356). No dividends were paid or declared payable during or since the half year.

During the report period, the Company successfully raised \$750,000 before capital raising costs via the following:

- Issue of 12,500,000 fully paid ordinary shares on 22 July 2016 at \$0.06 per share pursuant to a placement.

The Company's current operating position and other activities appear in announcements released to the Australian Securities Exchange and should be read in conjunction with this half yearly report.

DIRECTORS' REPORT (continued)

Events Subsequent to Reporting Date

Story

There have been no other material items, transactions or events subsequent to 31 December 2016 which, although they do not relate to conditions existing at that date, have not been dealt with in this report and which would cause reliance on the information shown in this report to be misleading.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 4 and forms part of the Directors' Report for the half year ended 31 December 2016.

Signed in accordance with a resolution of the Directors.

Michael Pixley Director Dated at Perth this 28^h day of February 2017.



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Story-I Limited ABN: 55 163 916 989

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Story-I Limited

As lead audit director for the review of the financial statements of Story-I Limited for the half year ended 31 December 2016 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.

Robert Evett Director Sydney

Date: 28 February 2017

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BENTLEYS NSW AUDIT PTY LTD Chartered Accountants



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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 31 December 2016

	Consolidat 31 December 2016 \$	ed Group 31 December 2015 \$
Revenue from sale of goods	12,262,156	12,287,221
Other income	70,367	517,485
Cost of sales	(9,916,347)	(9,870,894)
Gross Profit	2,416,176	2,933,812
Marketing expenses	(361,395)	(508,643)
Other expenses	(735,924)	(896,103)
Interest expense	(161,418)	(150,783)
Depreciation expense	(175,765)	(118,739)
Other operational income	39,567	-
Foreign exchange gain / (loss)	8,708	8,673
Profit before income tax	1,029,949	1,268,217
Income tax expense	(299,566)	(368,575)
Profit after income tax	730,383	899,642
Profit attributable to:		
Equity holders of the parent entity	687,325	844,356
Non-controlling interests	43,058	55,286
Profit for the period	730,383	899,642
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign	07 444	205 452
operations, net of tax Total comprehensive income for the period	<u>67,411</u> 797,794	<u>305,153</u> 1,204,795
Total comprehensive income for the period attributable:		
Equity holders of the parent entity	751,684	1,149,509
Non-controlling interests	46,110	55,286
Total comprehensive income for the period	797,794	1,204,795
Basic and diluted earnings per share (cents) Weighted average number of shares used in	0.46	0.66
calculating basic and diluted earnings per share	148,122,482	120,443,708

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2016

		Consolidated Group		
	Note	31 December 2016 \$	30 June 2016 \$	
ASSETS				
Current Assets				
Cash and cash equivalents	_	316,609	215,119	
Trade and other receivables	2	8,721,802	8,130,562	
Inventories Other		3,921,606 522,078	3,372,276 490,296	
Total Current Assets		13,482,095	12,208,253	
Total Gurrent Assets		13,402,033	12,200,200	
Non-Current Assets				
Plant and equipment		803,423	951,710	
Intangibles		367,415	248,296	
Other		-	104,715	
Deferred tax assets		35,036	34,802	
Total Non-Current Assets		1,205,874	1,339,523	
TOTAL ASSETS		14,687,969	13,547,776	
LIABILITIES Current Liabilities Trade and other payables Borrowings		2,613,616 1,606,991	3,006,341 1,630,316	
Total Current Liabilities		4,220,607	4,636,657	
Non-Current Liabilities Trade and other payables Provisions Total Non-Current Liabilities		1,117,823 140,141 1,257,964	1,043,375 139,212 1,182,587	
TOTAL LIABILITIES		5,478,571	5,819,244	
NET ASSETS		9,209,398	7,728,532	
EQUITY				
Contributed equity		3,739,825	3,056,753	
Retained earnings		4,726,491	4,039,166	
Foreign currency translation reserve		355,092	290,733	
Parent interests		8,821,408	7,386,652	
Non-controlling interests		387,990	341,880	
TOTAL EQUITY		9,209,398	7,728,532	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the half year ended 31 December 2016

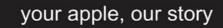
	Contributed Equity	Retained Earnings	Foreign Currency Translation Reserve	Total	Non- Controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$
2015						
Balance at 1 July 2015			(100 - (1))			
Total profit for the period after tax	2,137,031	2,693,348	(136,541)	4,693,838	186,674	4,880,512
Other comprehensive income	-	844,356	-	844,356	55,286	899,642
Exchange differences on translation of foreign operation	-	-	305,153	305,153	-	305,153
Total other comprehensive						
income for the period Total comprehensive income for	-	844,356	305,153	1,149,509	55,286	1,204,795
the period						
Additional paid in capital PT Inetindo Infocom	-	-	-	-	50,064	50,064
Issue of shares (less share issue	000 000			000 000	,	·
costs) Balance at 31 December 2015	999,323	-	-	999,323		999,323
2242	3,136,354	3,537,704	168,612	6,842,670	292,024	7,134,694
2016						
Balance at 1 July 2016	3,056,753	4,039,166	290,733	7,386,652	341,880	7,728,532
Total profit for the period after tax						
Other comprehensive income	-	687,325	-	687,325	43,058	730,383
Exchange differences on translation						
of foreign operation Total other comprehensive	-	-	64,359	64,359	3,052	67,411
income for the period	-	687,325	64,359	751,684	46,110	797,794
Total comprehensive income for the period	-	-	-	-	-	-
Issue of shares (less share issue costs)	683,072	-	-	683,072	-	683,072
Balance at 31 December 2016	3,739,825	4,726,491	355,092	8,821,408	387,990	9,209,398





CONSOLIDATED STATEMENT OF CASH FLOWS For the half year ended 31 December 2016

	Consolida 31 December 2016 \$	ited Group 31 December 2015 \$
Cash flows from operating activities		
Receipts from customers Payments to suppliers and employees Interest paid Net cash provided by / (used) in operating	11,750,207 (12,183,345) (161,418)	15,327,066 (14,607,730) (150,783)
activities	(594,556)	568,553
Cash flows from investing activities		
Payments for plant and equipment and intangibles (Payments for) / recovery of security deposits Payments for acquisition of intangible assets	(36,634) 72,933	(880,057) (87,318)
(software) Net cash provided by / (used) in investing activities	36,299	(112,701)
Cash flows from financing activities		
Proceeds from issue of shares (net of share issue costs) Proceeds from additional paid in capital for PT	683,071	949,259
Inetindo Infocom Proceeds from / (repayments of) bank loans Net cash provided by financing activities	- (23,324) 659,747	50,064 (420,454) 578,869
Net increase / (decrease) in cash held	101,490	67,346
Cash and cash equivalents at the beginning of the financial period	215,119	80,596
Cash and cash equivalents at the end of the financial period	316,609	147,942





1. Basis of Preparation

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These general purpose interim financial statements for the half year reporting period ended 31 December 2016 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Story-I Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2016, together with any public announcements made during the following half year ended 31 December 2016.

a) New and Revised Accounting Requirements Applicable to the Current Half year Reporting Period

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.





1. Basis of Preparation (continued)

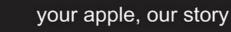
b) Principles of Consolidation

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The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Story-I Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. A list of the subsidiaries is provided in Note 9.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets on set assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.





(c) Going Concern

Story

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the half year ended 31 December 2016, the Group earned a profit of \$687,325 and had net cash inflows of \$101,490.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

2. Trade and Other Receivables Other

	31 December	30 June
	2016	2016
	\$	\$
Trade debtors	4,174,913	5,458,996
Prepayments	268,425	1,908,224
Prepaid tax	-	671,217
Other receivables	2,640,791	92,125
Advance payment	1,637,673	-
	8,721,802	8,130,562

3. Contributed equity

Story

	31 December 2016 \$	30 June 2016 \$
Ordinary shares	·	Ţ
Issued and fully paid	3,739,825	3,056,753
Movement in fully paid ordinary shares:	No. of Shares	\$
At 1 July 2016 Issued at \$0.06 per share 22 July 2016 Less: costs associated with issue of shares At 31 December 2016	137,117,047 12,500,000 - 149,617,047	3,056,753 750,000 (66,928) 3,739,825

4. Segment Information

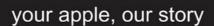
The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company operates in the segments of corporate activity within Australia and Singapore, and operational activity in Indonesia. In the current financial period, the Company operated in the same segment.

The Company is domiciled in Australia. All revenue from external parties is generated from Indonesia only. Segment revenues are allocated based on the country in which the party is located.

All the assets are located in Australia, Singapore and Indonesia. Segment assets are allocated to countries based on where the assets are located.

Reportable segments:	Australia \$	Singapore \$	Indonesia \$	Consolidated \$
Segment revenue				
2016	-	-	12,332,523	12,332,523
2015	-	-	12,804,706	12,804,706
Segment result				
2016	(116,131)	(14,646)	861,160	730,383
2015	(183,783)	(9,614)	1,093,039	899,642
Segment assets				
2016	89,413	31,463	14,567,093	14,687,969
2015	236,120	8,331	10,838,173	11,082,624
Segment liabilities				
2016	(55,675)	-	(5,422,896)	(5,478,571)
2015	(34,107)	-	(3,913,823)	(3,947,930)
Depreciation and amortisation exp	ense			
2016	-	-	(175,765)	(175,765)
2015	-	-	(118,739)	(118,739)





5. Events Subsequent to Reporting Date

Story

There have been no other material items, transactions or events subsequent to 31 December 2016 which, although they do not relate to conditions existing at that date, have not been dealt with in this report and which would cause reliance on the information shown in this report to be misleading.

6. Contingent Liabilities

There are no contingent liabilities at the reporting date.

7. Dividends

No dividends were paid or declared payable during or since the half year.

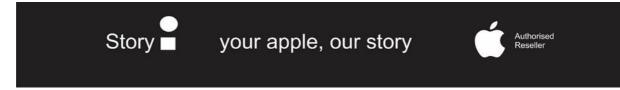
8. Expenditure Commitments

The Group has certain operating commitments pertaining to non-cancellable operating leases and other non-cancellable agreements contracted for but not recognised in the financial statements:

	Consolidated 31 December 2016 \$	Consolidated 30 June 2016 \$
Not later than one year	264,923	365,035
Between one and five years	426,630	1,003,847
-	691,553	1,368,882

9. Controlled Entities

	Country of Incorporation	Percentage Co	ntrolled (%)
		31 December 2016	30 June 2016
Subsidiaries of Story-I Limited: Story-I Pte Ltd	Singapore	100	100
PT Inetindo Infocom	Indonesia	95	95



DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134 Interim Financial Reporting; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half year ended on that date.
- 2. 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.

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

Michael Pixley Director

Dated at Perth this 28th day of February 2017.



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF STORY-I LIMITED AND ITS CONTROLLED ENTITIES

Report on the Half-Year Financial Report

Story-I Limited

ABN: 55 163 916 989

We have reviewed the accompanying half-year report of Story-I Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2016, 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 half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration for the Consolidated Entity, comprising both the company and the entities it controlled during that half year.

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 (including Australian Accounting Interpretations) 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 to 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 the 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 report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 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 the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the 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 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.



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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Story-I Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

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BENTLEYS NSW AUDIT PTY LTD CHARTERED ACCOUNTANTS

ROBERT EVETT Director Sydney

Date: 28 February 2017