8COMMON LIMITED

ACN 168 232 577

INTERIM REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Contents

Directors' Report

Your directors present their report on the Company 8common Limited and its consolidated entity for the half-year ended 31 December 2015.

Directors

The following persons were directors of 8common Limited during or since the end of the financial half year;

Grant McCarthy – Non Executive Director
Kah Wui "Nic" Lim – Executive Chairman
Zoran Grujic – Executive Director
Adrian Bunter – Non Executive Director
Nyap Liou "Larry" Gan – Non Executive Director

Principal activities

8common delivers productivity and performance software to enterprises and professionals globally. In its core markets of Australia and North America, its clients include government agencies, large corporates, multi-nationals and thousands of individual professionals. Its 3 main product areas are:

1. Expense8 – Travel and Expense management used in 8 countries. Blue chip client base of government agencies, large corporates and multi-nationals. Since 1998, Expense8 has been used by employees to initiate travel requirements and process all employee related spending;

2. Perform8 – Employee performance management tools. The main product is COI which in the last 18 years has delivered its methodology of gathering employee responses and producing action points to ensure effective performance tracking;

3. Realtors8 – Real Estate agent Content Management System (CMS) used by realtors in North America since 2000. The core CMS product is now supported by a suite of lead generation and advertising platforms.

Key Highlights of 1H 2016

- Expense8 continues strong growth on the back of the successful NSW Department of Education tender by winning multi-year contracts from the Office of the National Rail Safety Regulator (ONSRS), Roche Diabetes Care, Mitre10 (migrate existing client) and more onto the new platform;

- Perform8 continues to deliver its product to blue chip clients and begin building a reseller network;

- Realtors8 year on year revenue increase of 58%. Strong performance by both existing and recently acquired assets; and

- Board and management changes to facilitate growth, strategy and investor engagement.

Review of 1H15 operations

During the 1H FY16, the Company recorded a net revenue increase of 33% to $1,639,965 as at 31 December 2015 (1H FY15 of $1,233,110). As at 31 December 2015, the Company held cash and equivalents of $261,403 (30 June 2015: $565,067). In line with the seasonality of Expense8 revenues whereby a significant portion of Annual 12 month in advance revenues are collected during the second half of the year, product development of recently acquired assets and growth invested into business development and management headcount, the Company reported an operating loss after tax of ($990,481) and adjusted operating EBITDA of ($637,913), which was better than our budget. The operating cashflow for the period was ($338,991).

8common has had a busy half year with managing the ownership transition of recently acquired businesses (RPM for Realtors8 and COI for Perform8) and growing the performance of existing businesses. Revenue for Realtos8 grew 58% driven by organic growth and the highly accretive acquisition of RPM. Expense8 signed well in excess of $1.5m in new contracts under multi year terms and we expect strong revenue contribution during the second half of FY2016.

Headcount and training investments continue to be made across the board to ensure product and business development momentum continues.

Results overview

	31 December 2015	31 December 2014
Net Revenue	1,639,965	1,233,110
Operating EBITDA	(637,913)	(94,606)
Operating NPAT	(990,481)	(300,408)
Operating Cash flow	(338,991)	64,620
Cash and cash equivalents	261,403	1,474,650

Expense8

During the half year, the Expense8 division delivered good results largely thanks to the launch of new products in March 2015. This business is well into its growth stage after a period of product transitioning and platform development. Customers both old and new are responding well to the new product.

The revenue mix of the business is transforming in-line with new product and pricing policies. As more clients move from the traditional in-house client hosted model which is charged on a fixed per-annum basis to the monthly platform and transaction model, short term cash receipts and revenue recognition drops. This is demonstrated by the drop in Annual Contract revenue from $300,532 to $219,996 and corresponding increase in Monthly Recurring Revenue (MRR) from $305,859 to $377,208. Existing clients are typically charged an implementation fee and monthly fee as they adopt the new product.

The most notable result was the successful tender win to provide the Expense management System (EMS) for the New South Wales Department of Education. The department is the single largest organisation (Public and Private) in Australia and the Group believes that the potential revenue contribution is expected to be materially significant to the division. Other client wins include Office of the National Rail Safety Regulator (ONSRS), Roche Diabetes Care, and Mitre10 (existing client).

The Amadeus and QBT (a division of Helloworld Limited ASX:HLO) partnerships have brought in significant cross collaboration opportunities. Product demand across both Public and Private sectors to adopt Travel and Expense management software is at an unprecedented high and this is well reflected in the depth and size of the sales pipeline. Asia is also gaining momentum with a build up of proposals and engagement with potential partners.

Realtors8

Revenue has accelerated with the division recording a 58% increase in revenue thanks to both the organic growth and contributions from the recently acquired asset (RPM). The ownership transition has been smooth and investments into the product continue to be made. Client conversion rates have lifted to above 90% from 65-70% during the prior year. We have now put in place further resources towards marketing and growing the base of trial users.

Management made a decision to slow down Asian expansion in light of the general property slowdown in the region as it was difficult to capture the attention of the realtors. We believe that things have settled down now and have begun re-engaging with potential partners to deliver a product to realtors in the region.

Perform8

Perform8 has completed the period of ownership transition and product transformation. The re-developed product has received strong endorsements from both new and existing clients. Clients have also welcomed the new model which includes a monthly SaaS (software as a service) subscription. The build up of Monthly Recurring Revenue is expected to accelerate as new and existing clients are on-boarded.

Sales and marketing together with building distribution channels are a key focus. Reseller have been active in delivering opportunities which include the Perth City Stadium project which includes Laing O'Rourke, AECOM and the Perth City Council.

Management team

Several management changes were announced and as of 1 January 2016, Nic Lim became Executive Chairman and the role of CEO assumed by Nick Gonios (previously COO). They will jointly work on Investor Relations and Corporate Activity whilst Nick Gonios leads the management of the Group.

Outlook

The performance in the December 2015 half year has demonstrated the clear signs of success within the 8common model as demonstrated by the results in Realtors8 (revenue and customer receipt growth) and Expense8 (new multi-year platform contracts and revenue order book). Perform8 has gone through its transition period and we are at the starting phases of growth as demonstrated by recent successful client engagements like Box Hill Institute, which are very encouraging.

8common products are well placed as the pace of adoption and usage from the current and potential clients are at an unprecedented high. The growing team is competing and winning against much larger competitors thanks to good product and excellent customer service and on-boarding. Additional resource investments into sales and marketing have delivered good results and we expect that to accelerate.

Significant Events since Balance Sheet Date

On the 17 December 2015, 8common announced that it would undertake a non-renounceable pro rata rights issue of one (1) share for every ten (10) shares held at A$0.18 per share. This will raise $972,000 before costs. The rights issue closed on 13 January 2016 with approximately $293,793 raised (including under the rights issue and applications for shortfall that are still being received) with more expected to come in the coming months.

No other matters have arisen since 31 December 2015 that have significantly affected, or may significantly affect the Group's operations in future financial years, the results of those operations in future financial years or the Group's state of affairs in future financial years.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of directors.

Kah Wui Lim

Managing Director

Dated this 29th of February 2016

walker wayland

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Auditors' Independence Declaration

AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF 8COMMON LIMITED

I declare that, to the best of my knowledge and belief, during the half year period ended 31 December 2015 there have been:

(i) no contraventions of the auditors' independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Walker Wayland NSW

Walker Wayland NSW
Chartered Accountants

Grant Allsopp
Partner

Dated this 29th day of February 2016
Sydney

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2015

	31 December 2015 $	31 December 2014 $
REVENUE FROM CONTINUING OPERATIONS	1,639,965	1,233,110
EXPENSES FROM CONTINUING OPERATIONS		
Cost of services	(395,984)	(232,830)
Accounting and legal costs	(55,641)	(29,920)
Acquisition expenses	-	(18,251)
Borrowing costs	(43,381)	(16,964)
Computer software/maintenance	(66,729)	(53,170)
Depreciation and amortisation	(293,989)	(193,355)
Employee and contractor costs	(1,437,164)	(706,832)
Marketing	(29,589)	(27,167)
Occupancy expenses	(50,822)	(75,345)
Overseas sales tax expense	-	(49,528)
Other expenses from ordinary activities	(240,815)	(122,332)
NET LOSS BEFORE INCOME TAX	(974,149)	(292,584)
Income tax expense	(16,332)	(7,824)
NET LOSS FOR THE PERIOD	(990,481)	(300,408)
Other comprehensive income that may be reclassified to profit or loss		
– Exchange differences on translation of foreign subsidiaries	17,484	74,780
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(972,997)	(225,628)
Earnings per share		
Basic earnings per share – cents per share	(1.83)	(0.61)
Diluted earnings per share – cents per share	(1.83)	(0.61)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2015

	Note	31 December 2015 $	30 June 2015 $
Current assets			
Cash		261,403	565,067
Trade and other receivables		400,333	890,329
Other assets		36,346	84,246
Total current assets		**698,082**	**1,539,642**
Non current assets			
Intangible assets	5	7,527,338	7,976,483
Property, plant and equipment		31,197	32,732
Deferred tax assets		161,232	178,483
Total non-current assets		**7,719,767**	**8,187,698**
Total assets		**8,417,849**	**9,727,340**
Current liabilities			
Trade and other payables		898,239	920,399
Unearned revenue		60,900	-
Financial liabilities – convertible notes	7	1,225,899	9,249
Financial liabilities – deferred consideration	6	306,931	877,553
Provisions		134,560	49,439
Tax liabilities		161,654	68,788
Total current liabilities		**2,788,183**	**1,925,428**
Non current liabilities			
Financial liabilities – convertible notes	7	-	900,000
Financial liabilities – deferred consideration	6	-	293,699
Provisions		37,404	42,416
Total non current liabilities		**37,404**	**1,236,115**
Total liabilities		**2,825,587**	**3,161,543**
Net assets		**5,592,262**	**6,565,797**
Shareholders' equity			
Contributed equity	8	6,317,578	6,317,578
(Accumulated losses) / Retained profits		(873,399)	117,082
Foreign currency translation reserve		148,083	131,137
Total shareholders' equity		**5,592,262**	**6,565,797**

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2015

Consolidated Entity	Issued Capital	(Accumulated Losses) / Retained profits	Foreign Currency translation reserve	Total
	$	$	$	$
Balance as at 1 July 2014	**3,220,108**	**127,933**	**47,444**	**3,395,485**
Loss for the period	-	(300,408)	-	(300,408)
Foreign currency translation reserve	-	-	74,780	74,780
Total comprehensive income / (loss)	-	(300,408)	74,780	(225,628)
Shares issued	3,500,000	-	-	3,500,000
Share issue costs	(601,861)	-	-	(601,861)
Balance as at 31 December 2014	**6,118,247**	**(172,475)**	**122,224**	**6,067,996**
Balance as at 1 July 2015	**6,317,578**	**117,082**	**131,137**	**6,565,797**
Loss for the period	-	(990,481)	-	(990,481)
Foreign currency translation reserve	-	-	16,946	16,946
Total comprehensive income / (loss)	-	(990,481)	16,946	(973,535)
Balance as at 31 December 2015	**6,317,578**	**(873,399)**	**148,083**	**5,592,262**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the Half Year ended 31 December 2015

	Note	31 December 2015 $	31 December 2014 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities		1,843,464	1,342,375
Interest received		4,501	12,254
Interest paid		(35,407)	(52,964)
Payments to suppliers and employees		(2,145,843)	(1,237,045)
Income tax paid		(5,706)	-
Net cash (used in) / provided by operating activities		**(338,991)**	**64,620**
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for physical non current assets		(9,753)	
Payments of deferred consideration		(332,404)	(5,034)
Refund on earn out payment		60,000	
Term deposit		-	(49,999)
Net cash used in investing activities		**(282,157)**	**(55,033)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		-	3,500,000
Share issue costs		-	(601,861)
Repayment of convertible notes		-	(1,800,000)
Issue of convertible notes		300,000	-
Net cash provided by financing activities		**300,000**	**1,098,139**
NET (DECREASE) / INCREASE IN CASH HELD		**(321,148)**	**1,107,726**
Cash and cash equivalent at beginning of financial period		565,067	356,163
Effects of changes in exchange rates		17,484	10,761
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**261,403**	**1,474,650**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the Half Year ended 31 December 2015

Note 1—Basis of Preparation of Half-Year Report

These general purpose financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015, together with any public announcements made during the following half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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 except to the matters discussed below.

These financial statements were authorised for issue by the board of directors on 29th February 2016.

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

A number of new or amended standards became applicable for the current reporting period, however, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There will be some changes to the disclosures in the 30 June 2016 annual report as a consequence of these amendments.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Estimates

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group’s last annual financial statements for the year ended 30 June 2015.

Notes to the Financial Statements for the Half Year ended 31 December 2015

Note 1—Basis of Preparation of Half-Year Report (cont)

Going concern basis of accounting

The Group has incurred a net loss after tax for the half-year ended 31 December 2015 of $990,481 (2014: loss of $300,408) and has experienced net cash outflows from operating activities of $338,991 (2014: cash inflow of $64,620). As at 31 December 2015, the Group has a net current asset deficiency of $2,090,101 (30 June 2015: $385,786). The net current asset deficiency as at 31 December 2015 includes the convertible notes totalling $1,200,000 which have a conversion or repayment date of 5 November 2016. The convertible notes are convertible to equity at the share price of $0.26 or above (share price 31 December 2015 $0.20; share price 29 February 2016 $0.20).

These matters give rise to a material uncertainty that may cast doubt upon the Group's ability to continue as a going concern.

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due is dependent upon the Group being successful in one or more of the following areas:

- generating sufficient cash surpluses from operations resulting from meeting revenue forecasts
- raising of additional capital through a rights issue or other capital raises (refer Note 12: Subsequent Events)
- receiving financial support from its shareholders and convertible note holders

The directors believe that the Company will be successful in the above matters and be in a position to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. Accordingly, the financial report has been prepared on a going concern basis.

In the event that the Group does not achieve the conditions stated by the Directors, the ability of the Company and therefore the Group to continue as a Going Concern may be impacted and therefore the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report. No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the Group and company not continue as going concerns.

Note 2—Loss from Ordinary Activities

All revenue and expense items that are relevant in explaining the financial performance for the interim period have been included in the statement of profit or loss and other comprehensive income.

Note 3—Dividends

No dividends have been declared or paid during the period.

Notes to the Financial Statements for the Half Year ended 31 December 2015

Note 4—Operating Segments

The Group has three (3) reportable segments, as described below, which are the groups strategic business units. The Group has identified its business units based on internal reports that are reviewed on a monthly basis and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The following summary describes the operations in each of the Group's reportable geographic segments:

- Expense8: Expense8 is a Travel & Expense management software solution that manages and streamlines the end-to-end processing of employee-generated expenses. By using Expense8, clients' administration of expenses charged to corporate credit cards is made easier.
- Realtors8: Realtors8 is a Content Management System (CMS) and Customer Relationship Management (CRM) Solution primarily targeting realtors. The comprehensive solution provides personalised, customer-branded websites, integrated to multiple listing services (MLS), syndication and marketing tools, which enable the realtors to generate traffic, leads and maintain relationships with their clients.
- Perform8: Perform8 is an advanced survey and action planning solution that diagnoses and prioritises areas for improvement across your business. Its unique methodology drives continuous improvement throughout your organisation, maximising employee engagement and boosting productivity levels.

Half year ended December 2015	**Expense8**	**Realtors8**	**Perform8**	**Head Office**	**Total**
	$	**$**	**$**	**$**	**$**
Total segment revenue	699,726	840,100	100,139	-	1,639,965
Net Loss before tax for the Period	(344,014)	(58,985)	(105,882)	(465,268)	(974,149)
Adjusted EBITDA	(253,824)	55,703	(15,882)	(423,910)	(637,913)
Total segment assets					
31 December 2015	1,633,352	4,277,938	1,260,001	1,246,558	8,417,849
Total segment liabilities					
31 December 2015	691,560	682,541	4,440	1,447,046	2,825,587

Notes to the Financial Statements
for the Half Year ended 31 December 2015

Note 4—Operating Segments (cont.)

Half year ended December 2014	Expense8	Realtors8	Head Office	Total
	$	$	$	$
Total segment revenue	702,550	530,560	-	1,233,110
Net loss before tax for the Period	30,470	(107,067)	(215,987)	(292,584)
Adjusted EBITDA	116,930	(663)	(210,873)	(94,606)
Total segment assets				
31 December 2014	2,642,993	4,681,805	417,511	7,742,309
Total segment liabilities				
31 December 2014	464,221	977,247	232,846	1,674,313

The executive management team uses adjusted EBITDA as a measure to assess the performance of the segments. This excludes the effects of items such as depreciation, amortisation and finance costs.

A reconciliation of the adjusted EBITDA to operating profit before income tax is provided as follows:

	31 December 2015 $	31 December 2014 $
Total adjusted EBITDA	**(637,913)**	**(94,606)**
Interest expense	(43,381)	(16,964)
Interest received	1,134	12,340
Depreciation and Amortization	(293,989)	(193,354)
Loss before income tax from continuing operations	**(974,149)**	**(292,584)**

Notes to the Financial Statements for the Half Year ended 31 December 2015

Note 5: Intangible Assets

	As at 31 December 2015	As at 30 June 2015
	$	$
Goodwill – at cost	4,997,376	5,432,871
Intellectual property – at cost	2,780,812	2,770,000
Less: Accumulated amortisation	(834,037)	(538,833)
	1,946,775	2,231,167
Development costs – at cost (i)	583,187	312,445
	7,527,338	7,976,483

(i) The development costs are associated with the development of new features and functionality in the Travel and Expense Management system. These costs are yet to be amortised. Amortisation will commence once the new features and functions are completed and the product is launched.

Note 6: Financial Liabilities – contingent consideration

CURRENT		
Contingent consideration	306,931	877,553
NON CURRENT		
Contingent consideration	-	293,699

These are earnings payouts for Business Information Services (NSW) Pty Ltd and Combustion Labs Media Inc. that are based on the original purchase contract.

Note 7: Financial Liabilities

CURRENT		
Unsecured liabilities:		
Convertible notes and accrued interest	1,225,899	9,249

The convertible notes attract interest at 8% and are repayable in November 2016 if the share price does not exceed $0.26.

NON CURRENT		
Convertible notes	-	900,000

Notes to the Financial Statements
for the Half Year ended 31 December 2015

Note 8— Contributed Equity

(a) **Share Capital**

	Note	As at 31 December 2015	As at 30 June 2015
		$	$
Ordinary Shares 54,000,000 (30 June 2015: 54,000,000)			
Fully paid shares		6,317,578	6,317,578

Note 9 —Contingent Liabilities

There are no contingent liabilities or contingent assets as at the date of this annual report.

Note 10—Related Party Transactions

During the half-year ended 31 December 2015 the following transactions occurred with related parties:

(i) Transactions with directors
As part of interest payments relating to the unsecured convertible note interest totalling $13,229 was paid to Kah Wui Lim ($6,051) and Nyap Liou Gan ($7,178) with respect to the convertible note at a coupon rate of 8%.

Notes to the Financial Statements for the Half Year ended 31 December 2015

Note 11 – Fair Value Measurement

a) Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

– Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

– Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

– Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following notes (b) and (c) provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

b) Financial Instruments

The fairs values of the group's financial asset and financial liabilities equate to the carrying values at the respective reporting dates of 31 December 2015.

c) Fair value hierarchy

The fair values of financial assets and financial liabilities at balance date equate to their carrying values. All financial assets and liabilities are categorised as Level 3 hierarchy assets and liabilities except for cash, which is Level 1. The deferred consideration financial liabilities are deemed level 3 as it is based on the exchanged contracts at the time of acquisition.

Notes to the Financial Statements for the Half Year ended 31 December 2015

Note 12—Events Occurring after the Balance Sheet Date

On the 17 December 2015, 8common announced that it would undertake a non-renounceable pro rata rights issue of one (1) share for every ten (10) shares held at A$0.18 per share. This will raise $972,000 before costs. The rights issue closed on 13 January 2016 with approximately $293,793 raised (including under the rights issue and applications for shortfall that are still being received) with more expected to come in the coming months.

Directors' Declaration

In the directors' opinion:

(a) The financial statements and notes set out on pages 8 to 19 are in accordance with:

- (i) Accounting Standard AASB 134 Interim Financial Reporting, other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that 8common Limited 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 directors.

Kah Wui Lim

Managing Director
Singapore

Dated this 29th day of February 2016

Walker Wayland NSW
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Independent Auditors Review Report

To the members of 8common Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of 8common Limited and its Controlled Entity which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entity it controlled at the half-year end or from time to time during the financial period.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with AASB 134 Interim Financial Reporting including: giving a true and fair view of the consolidated entities financial position as at 31 December 2015 and its performance for the half-year ended on that date. As the auditor of 8common Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Walker Wayland NSW
Chartered Accountants

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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 8common Limited, would be in the same terms if given to the directors as at the time of this auditor's 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 name of company is not in accordance with AASB 134 Interim Financial Reporting, including giving a true and fair view of the company financial position as at 31 December 2015 and of its performance for the half-year ended on that date.

Emphasis of Matter - Material Uncertainty regarding Going Concern

Without modifying our opinion, we draw attention to the following matter. As a result of the matters disclosed in Note 1"Going Concern basis of accounting" of the financial report, there is material uncertainty whether the Group can continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The ability of the Group to continue as a going concern is dependent upon its ability to generate sufficient cash surpluses from operations, raise sufficient cash from the issue of additional share capital in the near future and obtaining financial support from its convertible note holders.

Walker Wayland NSW

Walker Wayland NSW	**Grant Allsopp**
Chartered Accountants	**Partner**

Dated this 29th day of February 2016, Sydney