8COMMON LIMITED

ACN 168 232 577

INTERIM REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Contents

Directors' Report

Your directors present their report on the Company 8common Limited and its entities for the half-year ended 31 December 2016.

Directors

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

Kah Wui "Nic" Lim – Executive Chairman
Grant McCarthy – Non Executive Director
Zoran Grujic – Non Execuitve 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 19 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 2017

- Revenue of $1,721,674, up 5% year on year;

- Expense8 continues to see robust growth on the back of the successful delivery of Expense8 to the Federal Department of the Prime Minister and Cabinet, successful NSW Department of Industry tender and continued momentum of migration of existing client case from iCMS to Expense8;

- Perform8 continues to scale via a strengthened reseller network; and

- Realtors8 continues to deliver good results with revenues expected to increase following a revised pricing strategy, thus positioning it as a solid asset for sale.

Review of 1H17 operations

During the 1H FY17, the Company recorded a net revenue increase of 5% to $1,721,674 as at 31 December 2016 (1H FY16 of $1,639,965). As at 31 December 2016, the Company held cash and equivalents of $260,007 (30 June 2016: $331,558). 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 $958,177 and adjusted operating EBITDA Loss of $718,050. The operating cash outflow for the period was a deficiency $221,453.

8common has had an eventful half year with significant customer wins in the government sector for the Expense8 business while Peform8 continues to position the business for scale with a strengthened reseller network. Realtors8 continues to deliver consistent results and is expected to generate higher monthly recurring revenues given recently revised pricing strategy. The process to divest the division is progressing and we will keep the market updated on the progress.

Results overview

	31 December 2016 $	31 December 2015 $
Net Revenue	1,721,674	1,639,965
Operating EBITDA (Loss)	(718,050)	(637,913)
Operating NPAT (Loss)	(958,177)	(990,481)
Operating Cash outflow	(221,453)	(338,991)
Cash and cash equivalents	260,007	261,403

Expense8

During the half year, the Expense8 division delivered solid results given new customer wins, successful product delivery to key clients, and continued migration from iCMS to Expense8. The business continues to see momentum and with the product being received well by new and old customers.

The revenue mix of the business continues to evolve 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. As such, short term cash receipts and revenue recognition drops as demonstrated by the drop in Annual Contract revenue from $219,996 to $122,864 and corresponding increase in Monthly Recurring Revenue (MRR) from $366,440 to $465,435. Existing clients are typically charged an implementation fee and monthly fee as they adopt the new product.

The Expense8 product continues to see strong traction in the Government sector with one of the most notable customer wins being the successful tender win to roll out the Expense8 solution for the Federal Department of the Prime Minister and Cabinet. This win leveraged 8common's relationship with the Federal Department of Treasury and highlights the increasing demand for travel & expense management solutions in this sector. Another significant customer win was to provide the Expense8 solution to the NSW Department of Industry. Both customer wins contribute to 8common's growing annual recurring revenue.

Realtors8

Realtors8 continues to see another robust half year, with our product, technology, sales and customer success teams continuing to deliver consistent performance.

Focus continues to be on increasing monthly recurring revenues across the Realtors8 product range and we have recently revised our pricing strategy post the launch of version 3 of Ubertor's control panel.

The process to divest Realtors8 due to 8common's strategic decision to focus on Enterprise Performance and Productivity Software as a Service offerings is still ongoing and we will continue to update the market in due course.

Perform8

Perform8 continues to work towards the on-boarding of reseller partnerships and the half year saw the successful delivery of client engagements in partnerships and a strengthened reseller network.

The product continues to see strong adoption from new customers while existing customers continue to show interest in migrating to the new Perform8 SaaS platform.

Management team

On 15 December 2016, Chief Executive Officer Nick Gonios announced his resignation and provided a 6 months' notice. Nick will continue to provide services to the company as per his contract in his current role until his final day of service. On the 24th of February 2017, Chief Financial Officer and Director, Zoran Grujic announced his transition out of his roles to take up a position as a Non-Executive Director. The day to day running of the operations is being undertaken and directed by Kah Wui "Nic" Lim, Executive Chairman, and recently appointed Chief Financial Officer, Kadir Kudus.

Outlook

Performance in the December 2016 half year has been robust as demonstrated by the continued successes of Expense8 (Significant client wins in the Government sector), Perform8 (Strengthened reseller network) and Realtors8 (consistent results and increasing monthly recurring revenues).

We expect to continue to drive growth across the business through a combination of growing revenue and strong cost management, resulting in a strong positive operating cash flow. Furthermore, with

Realtors8 earmarked for sale, we will be able to focus on pursing purity and growth in the Enterprise Performance and Productivity Software space.

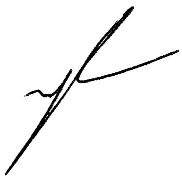
Significant Events since Balance Sheet Date

On the 28th of February 2017, the company accepted a non-binding offer to acquire 100% of the Realtors8 group.

No other matters have arisen since 31 December 2016 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 28th of February 2017, Sydney

Walker Wayland NSW
Chartered Accountants

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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 2016 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
Consultant – Registered Company Auditor

Dated this 28th day of February 2017
Sydney

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2016

	31 December 2016 $	31 December 2015 $
REVENUE FROM CONTINUING OPERATIONS	1,721,674	1,639,965
EXPENSES FROM CONTINUING OPERATIONS		
Cost of services	(405,135)	(395,984)
Accounting and legal costs	(49,929)	(55,641)
Borrowing costs	(58,306)	(43,381)
Computer software/maintenance	(48,136)	(66,729)
Depreciation and amortisation	(182,440)	(293,989)
Employee and contractor costs	(1,638,089)	(1,437,164)
Marketing	(65,900)	(29,589)
Occupancy expenses	(54,004)	(50,822)
Other expenses from ordinary activities	(177,912)	(240,815)
NET LOSS BEFORE INCOME TAX	(958,177)	(974,149)
Income tax expense	-	(16,332)
NET LOSS FOR THE PERIOD	(958,177)	(990,481)
Other comprehensive income that may be reclassified to profit or loss		
– Exchange differences on translation of foreign subsidiaries	(61,081)	17,484
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO THE MEMBERS OF THE PARENT ENTITY	(1,019,258)	(972,997)
Earnings per share		
Basic loss per share – cents per share	(1.65)	(1.83)
Diluted loss per share – cents per share	(1.65)	(1.83)

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 2016

	Note	31 December 2016	30 June 2016
		$	$
Current assets			
Cash and cash equivalents		260,007	331,558
Trade and other receivables		221,781	350,378
Other assets		25,805	8,536
Asset held for sale	5	3,614,430	3,326,744
Total current assets		**4,122,023**	**4,017,216**
Non current assets			
Intangible assets	6	3,745,939	3,743,905
Property, plant and equipment		42,706	28,110
Deferred tax assets		202,895	202,895
Total non-current assets		**3,991,540**	**3,974,910**
Total assets		**8,113,563**	**7,992,126**
Current liabilities			
Financial liabilities	7	156,440	1,242,890
Trade and other payables		1,264,280	646,025
Unearned revenue		91,142	38,000
Provisions		91,334	95,795
Tax liabilities		-	4,624
Total current liabilities		**1,603,196**	**2,027,334**
Non current liabilities			
Financial liabilities	7	1,511,615	-
Provisions		64,945	44,727
Total non current liabilities		**1,576,560**	**44,727**
Total liabilities		**3,179,756**	**2,072,061**
Net assets		**4,933,807**	**5,920,065**
Shareholders' equity			
Contributed equity	8	7,038,326	7,038,326
Accumulated losses		(2,193,721)	(1,235,544)
Share Option Reserve		33,000	-
Foreign currency translation reserve		56,202	117,283
Total shareholders' equity		**4,933,807**	**5,920,065**

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 2016

Consolidated Entity	Issued Capital	Accumulated Losses	Foreign Currency Reserves	Share Option Reserve	Total
	$	$	$	$	$
Balance as at 1 July 2015	**6,317,578**	**117,082**	**131,137**	-	**6,565,797**
Loss for the period	-	(990,481)	-	-	(990,481)
Other comprehensive income	-	-	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**
Balance as at 1 July 2016	**7,038,326**	**(1,235,544)**	**117,283**	-	**5,920,065**
Loss for the period	-	(958,177)	-	-	(958,177)
Other comprehensive income	-	-	(61,081)	-	(61,081)
Total comprehensive loss	-	(958,177)	(61,081)	-	(1,019,258)
Transactions with owners, in their capacity as owners and other transfers					
Share based payments expense	-	-	-	33,000	33,000
Total transactions with owners and other transfers	-	-	-	33,000	33,000
Balance as at 31 December 2016	**7,038,326**	**(2,193,721)**	**56,202**	**33,000**	**4,933,807**

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 2016

	Note	31 December 2016 $	31 December 2015 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities		2,060,929	1,843,464
Interest received		619	4,501
Interest paid		(19,033)	(35,407)
Payments to suppliers and employees		(2,258,983)	(2,145,843)
Income tax paid		(4,985)	(5,706)
Net cash (used in) operating activities		**(221,453)**	**(338,991)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for physical non-current assets		(11,074)	(9,753)
Payments of deferred consideration		-	(332,404)
Refund on earn out payment		-	60,000
Net cash used in investing activities		**(11,074)**	**(282,157)**
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of convertible notes		285,000	300,000
Repayment of convertible notes		(125,000)	**-**
Net cash provided by financing activities		**160,000**	**300,000**
NET DECREASE IN CASH HELD		**(72,527)**	**(321,148)**
Cash and cash equivalent at beginning of financial period		331,558	565,067
Effects of changes in exchange rates		976	17,484
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**260,007**	**261,403**

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 2016

Note 1—Basis of Preparation of Half-Year Report

These general purpose financial statements for the half-year reporting period ended 31 December 2016 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 2016, 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 28th February 2017.

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.

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 2016.

Notes to the Financial Statements for the Half Year ended 31 December 2016

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 2016 of $958,177 (2015: loss of $990,481) and has experienced net cash outflows from operating activities of $221,453 (2015: cash outflow of $338,991). As at 31 December 2016, the Group has a net current asset position of $2,518,827 (30 June 2016: $1,989,882). The net current asset position as at 31 December 2016 includes 'assets held for sale' amounting to $3,614,430 (being the group's Canadian operations, which the directors have agreed to dispose of. Convertible notes totalling $1,511,615 which have a conversion or repayment date of 8 January 2018 have been disclosed as non-current liabilities. The convertible notes are convertible to equity at the share price of $0.20 or above (share price as at 27 February 2016 $0.105).

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:

- generating sufficient cash surpluses from operations resulting from meeting revenue forecasts
- receiving financial support from its directors, shareholders, convertible note holders and other financiers
- the sale of the Canadian operations

The Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following mitigating factors:

- The current business development prospects show an increase in activity and should lead to increasing ongoing revenue;
- The directors believe the sale of the Group's Canadian operations will result in cash inflows;
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business progresses;
- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved results; and
- The Company has the option of seeking further new equity capital during the year and given previous successes in capital raisings, the Directors consider it reasonable that the Group will be able to raise further funding as and when required.

The Directors believe that the Company will be successful in the above matters and be able 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. The Directors continue to monitor the situation closely and are focused on taking all measures necessary to optimise the Group's performance. 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.

Notes to the Financial Statements for the Half Year ended 31 December 2016

Note 2—Profit 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.

Note 4—Operating Segments

The Group has two (2) 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:

- Productivity & Performance (including Expense8 and Perform8): 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. 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.
- 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.

Half year ended December 2016	Performance & Productivity	Realtors8	Head Office	Total
	$	$	$	$
Total segment revenue	950,758	770,916	-	1,721,674
Net Loss before tax for the Period	(346,973)	115,793	(726,997)	(958,177)
Adjusted EBITDA	(339,817)	115,793	(494,026)	(718,050)
Total segment assets				
31 December 2016	2,450,017	3,614,430	2,049,116	8,113,563
Total segment liabilities				
31 December 2016	1,384,547	-	1,795,209	3,179,756

Notes to the Financial Statements for the Half Year ended 31 December 2016

Note 4—Operating Segments (Cont.)

Half year ended December 2015	Performance & Productivity	Realtors8	Head Office	Total
	$	$	$	$
Total segment revenue	799,865	840,100	-	1,639,965
Net Loss before tax for the Period	(449,896)	(58,985)	(465,268)	(974,149)
Adjusted EBITDA	(269,706)	55,703	(423,910)	(637,913)
Total segment assets				
31 December 2015	2,893,353	4,277,938	1,246,558	8,417,849
Total segment liabilities				
31 December 2015	696,000	682,541	1,447,046	2,825,587

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 2016 $	31 December 2015 $
Total adjusted EBITDA	**(718,050)**	**(637,913)**
Interest expense	(58,306)	(43,381)
Interest received	619	1,134
Depreciation and Amortisation	(182,440)	(293,989)
Loss before income tax from continuing operations	**(958,177)**	**(974,149)**

Notes to the Financial Statements
for the Half Year ended 31 December 2016

NOTE 5: Assets Held for Sale

Management transferred all of the assets and liabilities (excluding cash) related to the Realtor8 business unit to an Asset Held for Sale, held under Current Assets. This includes the following entities:

- Realtors8 Pte Ltd
- Combustion Labs Media Inc
- 0966058 BC Ltd

Management has deemed that this business unit is not in line with the future strategy and direction of the business, which focuses on the employee productivity market, and accordingly has the intention to sell the unit.

Details of the assets held for sale are as follows:

Details	**31 December 2016 $**	**30 June 2016 $**
Assets		
Accounts Receivable	63,322	177,006
Other Assets	214,301	97,483
Fixed Assets	2,821	2,727
Goodwill and Intellectual Property	3,791,733	3,843,008
Total Assets	**4,072,177**	**4,120,224**
Liabilities		
Accounts Payable	57,545	182,441
Other Creditors	91,033	304,108
Deferred Liabilities	309,169	306,931
Total Liabilities	**457,747**	**793,480**
Assets Held for Sale	**3,614,430**	**3,326,744**

Notes to the Financial Statements for the Half Year ended 31 December 2016

Note 6: Intangible Assets

	Goodwill	Acquired Intellectual Property	Software Development Costs	Total
	$	$	$	$
Balance at the beginning of the year	1,765,108	1,115,917	862,880	3,743,905
Additions	-	4,800	241,022	245,822
Other movement	-	(46,450)	(24,038)	(70,488)
Amortisation charge	-	(173,300)	-	(173,300)
Year ended 31 December 2016	**1,765,108**	**900,967**	**1,079,864**	**3,745,939**

(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 7: Financial Liabilities

	Note	31 December 2016	30 June 2016
		$	$
CURRENT			
Unsecured liabilities:			
Short term loan	(i)	106,440	-
Convertible notes and accrued interest		50,000	1,242,890
		156,440	1,242,890
NON CURRENT			
Convertible notes and accrued interest	(ii)	1,511,615	-

Notes to the Financial Statements for the Half Year ended 31 December 2016

Note 7: Financial Liabilities (cont)

Note

(i) The short term loan is payable on 7 March 2017 and attracts interest of 2.5% per month.

(ii) The convertible notes allows the note holder to convert to shares at an exercise price of $0.20. The note attracts an interest rate of 10% and is repayable on 8 January 2018, if the holder does not convert it to shares.

Note 8 — Contributed Equity

(a) **Share Capital**

	Note	As at 31 December 2016	As at 30 June 2016
		$	$
Ordinary Shares 58,004,155 (30 June 2016: 58,004,155)			
Fully paid shares		7,038,325	7,038,325

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 2016 the following transactions occurred with related parties:

(i) Transactions with directors

a) Convertible note interest on Kah Wui Lim's convertible notes have been accrued at 31 December 2016 totaling $3,781.

b) As part of interest payments relating to the unsecured convertible note interest of $7,963 was paid to Nyap Liou Gan with respect to convertible note at a coupon rate of 8%. A note interest payment of $5,041 has been accrued.

Notes to the Financial Statements for the Half Year ended 31 December 2016

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 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 2016.

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 2016

Note 12—Events Occurring after the Balance Sheet Date

On the 28th of February 2017 the company accepted a non-binding offer to acquire 100% of the Realtors8 Group.

No other matters have arisen since 31 December 2016 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.

Directors' Declaration

In the directors' opinion:

(a) The financial statements and notes set out on pages 8 to 20 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 2016 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
Sydney

Dated this 28th day of February 2017

Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

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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 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 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 2016 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 2016 and of its performance for the half-year ended on that date.

Material Uncertainty regarding Going Concern – Review Report

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, obtaining financial support from its shareholders, directors, convertible note holders and the sale of its' Canadian Operations.

Walker Wayland NSW

Walker Wayland NSW	**Grant Allsopp**
Chartered Accountants	**Consultant – Registered Company Auditor**

Dated this 28th day of February 2017, Sydney