8COMMON LIMITED & CONTROLLED ENTITIES

ABN 168 232 577

ASX APPENDIX 4D FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2017 and the Interim Report for the half year ended 31 December 2017 and the attached auditors' review report.

This Appendix 4D is prepared in accordance with ASX Listing Rule 4.2A.3.

Reporting period: Half-year from 1 July 2017 to 31 December 2017.

Previous corresponding period: Half-year from 1 July 2016 to 31 December 2016.

Results for announcement to the market

8common limited (8CO) and its controlled entities' (the 8common Group or Group) Results for Announcement to the Market are detailed below:

Financial Results

	Dec 2016	Dec 2015	Change
Revenue and other income	1,850,988	1,721,674	8%
EBITDA	154,269	(718,050)	121%
Profit before tax	(234,367)	(958,177)	76%
Profit after tax	(234,367)	(958,177)	76%

Dividends

No interim dividend will be paid in relation to the half-year ended 31 December 2017.

Explanation of results

Please refer to the 'Directors Report' for an explanation of the results.

This information should be read in conjunction with the Consolidated Annual Financial Report of the 8common Group for the year ended 30 June 2017.

This report should also be read in conjunction with any public announcements made by 8common in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The information provided in the report contains all the information required by ASX Listing Rule 4.2A.

Details of individual and total dividends and payment dates

No dividends have been declared by the Company.

Dates: 28 February 2018

Zoran Grujic

Company Secretary

8COMMON LIMITED

ACN 168 232 577

INTERIM REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Contents

Directors' Report

Your directors present their report on the Company 8common Limited and its consolidated entity for the half-year ended 31 December 2017.

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 2018

Revenue of \$ 1,850,988, up 7.5% year on year;

- Expense8 continues to see strong growth on the back of the successful delivery of expense8 to the Australian Communications and Media Authority, and further customer gains in the government sector with new customers such as the Federal Department of the Senate. Expense8 also saw the continued momentum of the migration of existing client case from iCMS to expense8, with all remaining existing customers to be migrated by the end of this financial year;

- Perform8 revenues are slightly down and the business is currently under review; and

- Realtors8 continues to deliver solid revenues, with 8common announcing on the 16th of February 2018 that it signed a binding Sale and Purchase Agreement to sell the remaining 90% of its shares in Realtors8 Pte Ltd to Cloudaron Pte Ltd for a consideration of MYR12.28 million or approximately A\$4.09 million. The transaction is expected to be completed by the 2nd quarter of 2018.

Review of 1H18 operations

During the 1H FY18, the Company recorded a net revenue increase of 7.5% to $1,850,988 as at 31 December 2017 (1H FY17 of $1,721,674). As at 31 December 2017, the Company held cash and equivalents of $255,639 (30 June 2017: $382,562). Due to seasonality, Expense8 revenues are higher during the second half of the financial year. The business has continued to invest in product and business development. The Company reported an operating loss after tax of ($234,367) and operating EBITDA of $154,269. The operating cashflow for the period was ($290,186).

8common has had a strong half year with significant customer wins and deliveries in the government sector for the Expense8 business while Peform8 continues to underperform and thus a review of the business is currently being undertaken. Realtors8 continues to deliver consistent results and we will keep the market updated on the progress on completion of the sale.

Results overview

	Half Year **31 December 2017**	**Half Year** **31 December 2016**
Net Revenue	1,850,988	1,721,674
Profit from Sale of Asset	122,517	-
Operating EBITDA	154,269	(718,050)
Operating NPAT	(234,367)	(958,177)
Operating Cash flow	(290,186)	(221,453)
Cash and cash equivalents	255,639	260,007

Expense8

During the half year, the Expense8 division delivered solid results given new customer wins, successful product delivery to key new customers, and continued migration from iCMS to expense8. The business continues to see momentum with the travel module and the expense module becoming well embedded into the government sector.

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 $122,864 to $99,605 and corresponding increase in Monthly Recurring Revenue (MRR) from $465,435 (in 1H F17) to $845,846 (in 1H F18). 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 and continued penetration in the Government sector with one of the most notable customer wins being Federal Department of the Senate. This win leveraged 8common's deep relationship with the Federal Government agencies and highlights the increasing demand for travel & expense management solutions in this sector. There was strong adoption in NSW Government with customer gains including NSW Telco Authority, The Treasury, Department of the Premier and Cabinet and Parliamentary Council Office. Another significant customer win was the delivery of both the travel and expense management solutions to Australian Communications and Media Authority.

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 completing the Sale of the business to Cloudaron Pte Ltd. The transaction is expected to be completed by the 2nd quarter of 2018

Perform8

Perform8 has underperformed and management and the board are reviewing its operations and the business.

Outlook

Performance in the December 2017 half year has been strong mainly due to the continued successes of expense8 (Significant client wins in the Government sector), and stable revenues from the Realtors8 business.

We expect to continue to drive growth across the business through a combination of growing revenue and strong cost management, resulting in a positive operating cash flow. Furthermore, with the Sale and Purchase agreement signed for the sale of realtor8, 8common will be able to focus on pursing purity and growth in the Enterprise Performance and Productivity Software space.

Significant Events since Balance Sheet Date

The following significant events have taken place after the balance sheet date:

8common has successfully performed the following capital raising exercise and used its proceeds to repay debt from convertible note holders and to support the development of future products:

- Subsequent to half year end on 1 February 2018, the company issued 10,000,000 ordinary shares at $0.03 to sophisticated investors, raising a total of $300,000 (before costs)
- Subsequent to half year end on 8 February 2018, the company issued 58,004,122 ordinary shares at an issue price of $0.03 pursuant to a one for one rights issue, raising a total of $1,740,124 (before costs). In addition to this, for every New Share issued, the Company issued one free attaching option (unlisted) with an exercise price of $0.035 exercisable on or before 6 February 2020

- Subsequent to half year end, during the month of February 2018, the convertible note holders debt of $1,510,930 (being convertible note plus interest) was repaid with proceeds from the abovementioned rights issue and share placement. Some Convertible Note holders converted their debt to the Rights offering above

8common has successfully entered into a Sales and Purchase Agreement to sell Realtors8:

Subsequent to half year end on 16 February 2018, the directors signed a binding sale and purchase agreement to sell the remaining 90% equity interest in the in Realtors8 Pte Ltd and its subsidiaries for a total consideration of MYR12.58 million or approximately A$4.09 million, to Cloudaron Pte Ltd (Cloudaron).

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 2018

Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

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Auditors' Independence Declaration

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

We declare that, to the best of our knowledge and belief, during the half year period ended 31 December 2017 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

Richard Woods
Partner

Dated this 28th day of February 2018
Sydney

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2017

	31 December 2017 $	31 December 2016 $
REVENUE FROM CONTINUING OPERATIONS	1,850,988	1,721,674
PROFIT FROM SALE OF ASSET	122,517	-
	1,973,505	1,721,674
EXPENSES FROM CONTINUING OPERATIONS		
Cost of services	(431,332)	(405,135)
Accounting and legal costs	(71,033)	(49,929)
Borrowing costs	(83,232)	(58,306)
Computer software/maintenance	(44,646)	(48,136)
Depreciation and amortisation	(312,761)	(182,440)
Employee and contractor costs	(1,108,673)	(1,638,089)
Marketing	(1,847)	(65,900)
Occupancy expenses	(51,200)	(54,004)
Other expenses from ordinary activities	(111,077)	(177,912)
NET LOSS BEFORE INCOME TAX	(242,296)	(958,177)
Income tax benefit	8,390	-
NET LOSS FOR THE PERIOD	(233,906)	(958,177)
Other comprehensive income that may be reclassified to profit or loss		
– Exchange differences on translation of foreign subsidiaries	2,274	(61,081)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(231,632)**	**(1,019,258)**
Profit / (loss) for the half-year is attributable to:		
Non-controlling interest	461	-
Owners of 8common Limited	(234,367)	(958,177)
	(233,906)	(958,177)
Total comprehensive income for the half-year is attributable to:		
Non-controlling interest	461	-
Owners of 8common Limited	(232,093)	(1,019,258)
	(231,632)	**(1,019,258)**
Earnings per share		
Basic earnings per share – cents per share	(0.40)	(1.65)
Diluted earnings per share – cents per share	(0.40)	(1.65)

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 2017

	Note	31 December 2017	30 June 2017
		$	$
Current assets			
Cash and cash equivalents		255,639	382,562
Trade and other receivables		300,610	265,176
Other assets		46,522	20,117
Assets held for sale	5	3,642,103	3,845,664
Total current assets		**4,244,874**	**4,513,519**
Non current assets			
Intangible assets	6	3,011,449	3,203,826
Property, plant and equipment		27,683	35,335
Deferred tax assets		224,035	224,035
Total non-current assets		**3,263,167**	**3,463,196**
Total assets		**7,508,041**	**7,976,715**
Current liabilities			
Trade and other payables		1,156,414	1,457,008
Unearned revenue		111,688	42,367
Financial liabilities – convertible notes	7	1,510,930	1,648,948
Financial liabilities – loans	7	123,961	-
Provisions		80,788	80,860
Tax liabilities		35,087	35,087
Total current liabilities		**3,018,868**	**3,264,270**
Non current liabilities			
Provisions		53,706	45,346
Total non current liabilities		**53,706**	**45,346**
Total liabilities		**3,072,574**	**3,309,616**
Net assets		**4,435,467**	**4,667,099**
Equity			
Contributed equity	8	7,038,326	7,038,326
Accumulated losses		(3,187,695)	(2,556,084)
Foreign currency translations reserve		187,131	184,857
Parent entity interest		4,037,762	4,667,099
Equity attributable to the owners of the minority interest		397,705	-
Total shareholders' equity		**4,435,467**	**4,667,099**

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 2017

Consolidated Entity	Issued Capital	Accumulated Losses	Non-Controlling Interest	Foreign Currency Reserves	Share Option Reserve	Total
	$	$	$	$	$	$
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 income / (loss)	-	(958,177)	-	(61,081)	-	(1,019,258)
Transactions with owners, in their capacity as owners and other transfers						
Share based payments	-	-	-	-	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**
Balance as at 1 July 2017	**7,038,326**	**(2,556,084)**	**-**	**184,857**	**-**	**4,667,099**
Loss for the period	-	(234,367)	461	-	-	(233,906)
Other comprehensive income	-	-	-	2,274	-	2,274
Total comprehensive income / (loss)	-	(234,367)	461	2,274	-	(231,632)
Minority interest in net assets	-	(397,244)	397,244	-	-	-
Balance as at 31 December 2017	**7,038,326**	**(3,187,695)**	**397,705**	**187,131**	**-**	**4,435,467**

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 2017

	Note	31 December 2017 $	31 December 2016 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities		2,074,100	2,060,929
Interest received		565	619
Interest paid		(74,372)	(19,033)
Payments to suppliers and employees		(2,315,194)	(2,258,983)
Government grant and tax incentives		56,454	-
Income tax paid		(31,739)	(4,985)
Net cash (used in) operating activities		**(290,186)**	**(221,453)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for physical non-current assets		-	(11,074)
Receipt of proceeds from 10% sale of Realtors8 Group		210,809	-
Net cash provided by / (used in) investing activities		**210,809**	**(11,074)**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(42,256)	(125,000)
Issue of convertible notes		-	285,000
Net cash (used in) / provided by financing activities		**(42,256)**	**160,000**
NET DECREASE IN CASH HELD		**(121,633)**	**(72,527)**
Cash and cash equivalent at beginning of financial period		382,562	331,558
Effects of changes in exchange rates		(5,290)	976
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**255,639**	**260,007**

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 2017

Note 1—Basis of Preparation of Half-Year Report

These general purpose financial statements for the half-year reporting period ended 31 December 2017 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 2017, 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 2018.

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 2017 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 2017.

Notes to the Financial Statements for the Half Year ended 31 December 2017

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

Going concern basis of accountability

The Group has incurred a net loss after tax for the half year ended 31 December 2017 of $234,367 (2016: loss of $958,177) and has incurred net cash outflow from operating activities of $290,186 (2016: cash outflow of $221,453). As at 31 December 2017, the Group has a net current asset position of $1,226,006 (30 June 2017: $1,249,249). The net current asset position as at 31 December 2017 includes the following:

- assets held for sale amounting to $3,642,103 as at 31 December 2017 (30 June 2016: $3,845,664) (being the group's Realtors8 operations) as disclosed in Note 5, Assets Held for Sale
- the convertible notes (including interest) totaling $1,510,930 as at 31 December 2017 (2016: $1,508,685), included within financial liabilities – convertible notes
- a ATO tax debt of $496,071 (2016: $697,532) (relating to PAYG Withholding and Net GST liabilities owing) which is included in trade and other payables

These matters give rise to material uncertainties that casts 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 from the Expense management business
- receiving financial support from new and existing shareholders in the form share placements and rights issues to allow to repayment of the outstanding convertible notes on or before their prescribed repayment and conversion dates
- generating cash inflows from the sale of Cloudaron shares received pursuant to the sale of the Realtors8 group

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 factors:

- Subsequent to half year end on 8 February 2018, the company issued 58,004,122 ordinary shares at an issue price of $0.03 pursuant to a one for one rights issue, raising a total of $1,740,124 (before costs)
- Subsequent to half year end on 1 February 2018, the company issued 10,000,000 ordinary shares at $0.03 to sophisticated investors, raising a total of $300,000 (before costs)
- Subsequent to half year end, during the month of February 2018, the convertible note holders debt of $1,510,930 (being convertible note plus interest) was repaid with proceeds from the abovementioned rights issue and share placement. Some Convertible Note holders converted their debt to the Rights offering above
- As at 27 February 2018, the Group has cash assets of $489,530

Notes to the Financial Statements for the Half Year ended 31 December 2017

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

- Subsequent to half year end on 16 February 2018, the directors signed a binding sale and purchase agreement to sell the remaining 90% equity interest in the Realtors8 group to Cloudaron for consideration of approximately $4.09milllion to Cloudaron. The consideration is to be received in the form of 52,427,325 ordinary shares in Cloudaron Group Berhad, being in 2 tranches, tranche 1 being 39,413,450 shares to be issued within 7 days after completion date and tranche 2 being 13,013,875 shares to be issued subject to EBITDA performance obligations over the years ending 31 March 2019 and 31 March 2020
- The directors believe the sale of the Group's Canadian operations will result in cash inflow resulting from the partial proposed sale of a portion of Cloudaron Group Berhad shares received, which is listed on the Bursa Malaysia (CLOUD:MK).

The Directors remain committed to the long-term business plan that is contributing to improved results as the business progresses; and

The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved results.

Accordingly, the Directors are of the opinion that these factors will allow the Group to focus on growth areas and on improving profitability. The Directors continue to monitor the situation closely and are focused on taking all measures necessary to optimise the Group's performance.

The Directors believe that the above indicators demonstrate that the Group will be able to pay its debts as and when they become due and payable and to continue as a going concern 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 Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

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—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.

Notes to the Financial Statements for the Half Year ended 31 December 2017

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 2017	**Performance & Productivity**	**Realtors8**	**Head Office**	**Total**
	$	**$**	**$**	**$**
Total segment revenue	1,194,036	656,952	122,517	1,973,505
Net Profit / (Loss) before tax for the Period	(34,288)	135,998	(335,616)	(233,906)
Adjusted EBITDA	67,810	127,608	(41,149)	154,269
Total segment assets				
31 December 2017	2,620,465	3,642,103	1,245,473	7,508,041
Total segment liabilities				
31 December 2017	1,168,860	-	1,903,714	3,072,574

Notes to the Financial Statements for the Half Year ended 31 December 2017

Note 4—Operating Segments (Cont.)

Half year ended December 2016	Performance & Productivity	Realtors8	Head Office	Total
Total segment revenue	950,758	770,916	-	1,721,674
Net Profit / (Loss) before tax for the Period	(346,973)	115,793	(726,997)	(958,177)
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

The executive management team uses EBITDA as a measure to assess the performance of the segments. This excludes the effects of items such as depreciation, amortisation, tax and finance costs. A reconciliation of the EBITDA to operating profit before income tax is provided as follows:

	31 December 2017 $	31 December 2016 $
Total EBITDA	**154,269**	**(718,050)**
Income tax expense	8,390	-
Interest expense	(83,232)	(58,306)
Interest received	(572)	619
Depreciation and Amortization	(312,761)	(182,440)
Loss before income tax from continuing operations	**(233,906)**	**(958,177)**

Notes to the Financial Statements for the Half Year ended 31 December 2017

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 signed a Sale and Purchase Agreement to sell the remaining 90% of the business on 16th February 2018.

Details of the assets held for sale are as follows:

Details	31 December 2017 $	30 June 2017 $
Assets		
Accounts Receivable	56,727	94,713
Other Assets	255,694	192,459
Fixed Assets	2,813	2,768
Goodwill and Intellectual Property	3,511,863	3,836,816
Total Assets	**3,827,097**	**4,126,756**
Liabilities		
Accounts Payable	54,899	30,135
Other Creditors	130,095	250,957
Total Liabilities	**184,994**	**281,092**
Assets Held for Sale	**3,642,103**	**3,845,664**

Notes to the Financial Statements for the Half Year ended 31 December 2017

Note 6: Intangible Assets

	Goodwill	Acquired Intellectual property	Software Development Costs	Total
	$	$	$	$
Consolidated Group:				
Balance at the beginning of the year	1,225,108	774,117	1,204,601	3,203,826
Additions	-	-	112,422	112,422
Amortisation charge	-	(173,300)	(131,499)	(304,799)
Year ended 31 December 2017	**1,225,108**	**600,817**	**1,185,524**	**3,011,449**

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss. Goodwill has an indefinite useful live. Development costs have been amortised since 1 January 2017.

Note 7: Financial Liabilities

CURRENT	Note	As at 31 December 2017	As at 30 June 2017
Unsecured liabilities:			
Short Term Loan	(i)	123,961	
Convertible notes and accrued interest	(ii)	1,510,930	1,648,948
		1,634,891	1,648,948

(i) The short-term loan attracts interest of 2% per month.

(ii) The convertible notes matured on 8 January 2018 and the convertible note liability has been repaid. The Key terms of the Notes were:

- Maturity Date: 8 January 2018;
- Total limit: Up to A$1,430,000 issues;
- Interest rate: 10% per annum, accruing daily and payable six (6) monthly in cash, in arrears;
- Security: Unsecured Conversion:
- Conversion:
  - At a share price of $0.20;
  - Conversion right lies with the Note holder;
  - Company has the option to redeem the Notes up to 90 days maturity and will have to pay interest till maturity.

Notes to the Financial Statements for the Half Year ended 31 December 2017

Note 8 — Contributed Equity

(a) **Share Capital**

	Note	As at 31 December 2017	As at 30 June 2017
		$	$
Ordinary Shares 58,004,155 (30 June 2017: 58,004,155)			
Fully paid shares		7,038,326	7,038,326

Note 9 —Contingent Liabilities

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

Note 10—Related Party Transactions

During the half-year ended 31 December 2017 the following transactions occurred with related parties:

(i) Transactions with directors

a) As part of interest payments relating to the unsecured convertible note interest of $7,438 was paid to Kah Wui "Nic" Lim with respect to the convertible note at a coupon rate of 10%. A note interest payment of $7,274 has been accrued.

b) As part of interest payments relating to the unsecured convertible note interest of $9,918 was paid to Nyap Liou "Larry" Gan with respect to the convertible note at a coupon rate of 10%. A note interest payment of $9,699 has been accrued.

(ii) Transactions with related party

a) As part of interest payments relating to the unsecured convertible note interest of $16,116 was paid to Zenyen Limited with respect to the convertible note at a coupon rate of 10%. A note interest payment of $15,760 has been accrued.

Notes to the Financial Statements for the Half Year ended 31 December 2017

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 fair values of the group's financial asset and financial liabilities equate to the carrying values at the respective reporting dates of 31 December 2017.

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 2017

Note 12—Events Occurring after the Balance Sheet Date

The following material events have taken place after the balance sheet date:

8common has successfully performed the following capital raising exercise and used its proceeds to repay debt from convertible note holders and to support the development of future products:

- Subsequent to half year end on 1 February 2018, the company issued 10,000,000 ordinary shares at $0.03 to sophisticated investors, raising a total of $300,000 (before costs)
- Subsequent to half year end on 8 February 2018, the company issued 58,004,122 ordinary shares at an issue price of $0.03 pursuant to a one for one rights issue, raising a total of $1,740,124 (before costs). In addition to this, for every New Share issued, the Company issued one free attaching option (unlisted) with an exercise price of $0.035 exercisable on or before 6 February 2020
- Subsequent to half year end, during the month of February 2018, the convertible note holders debt of $1,510,930 (being convertible note plus interest) was repaid with proceeds from the abovementioned rights issue and share placement. Some Convertible Note holders converted their debt to the Rights offering above

Subsequent to half year end on 16 February 2018, the directors signed a binding sale and purchase agreement to sell the remaining 90% equity interest in the in Realtors8 Pte Ltd and its subsidiaries for a total consideration of MYR12.58 million or approximately A$4.09 million, to Cloudaron Pte Ltd (Cloudaron).

Under the terms of the agreement – assuming all conditions are met, 8common will sell 27.45 million shares of Realtors8, representing 90% equity interest in Realtors8, for a total consideration of MYR12.59 million or approximately A$4.09 million, which shall be satisfied via the issuance of 52,427,325 Cloudaron Group Berhad Shares at an issue price of MYR0.24 per Consideration Share in 2 tranches as follows:

- Tranche 1: Approximately A$3.07 million (approximately RM9,459,228) vide the issuance of 39,413,450 within 7 Business Days after the Completion Date in accordance with the terms of the Realtors8 SPA. SGD$1.59 million (approximately A$1.53 million) of the shares will be placed under a voluntary escrow for a period of 24 months from the issue date; and
- Tranche 2: Approximately A$1.02 million (approximately RM3,123,330) vide the issuance of 13,013,875 within 7 Business Days after the date of the Statement of EBITDA Calculation, subject to the EBITDA Guarantee and adjustments in accordance with the terms of the Realtors8 SPA.
- The EBITDA Guarantee provided by 8common is that the combined EBITDA of Realtors8 Group for the financial years ending 31 March 2019 and 31 March 2020, shall be at least S$1,050,000, with a minimum EBITDA of not less than S$400,000 for each financial year.
- The transaction is expected to be completed by the 2nd quarter of 2018. Upon completion of the transaction, Realtors8 will be a wholly-owned subsidiary of Cloudaron Group Berhad.

Notes to the Financial Statements
for the Half Year ended 31 December 2017

Note 12—Events Occurring after the Balance Sheet Date (cont)

This follows the earlier announcement on 6 November, 2018 which disclosed the completion of the sale of a 10% interest in Realtors8 Pte Ltd to Cloudaron for SGD$470,000 (approximately $422,000) that was received in cash.

By way of background, Cloudaron (www.cloudaron.com) is listed on the Bursa Malaysia (CLOUD:MK). Cloudaron was established to develop and deliver a holistic, next-gen platform to enable clients to transform from a legacy or traditional computing to cloud computing environments. It offers infrastructure and solution transformation, workspace transformation and cyber security, and serves over 150 companies throughout the Asia Pacific region with more than one million end-users.

Directors' Declaration

In the directors' opinion:

(a) The financial statements and notes set out on pages 8 to 22 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 2017 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 28th day of February 2018

walkerwayland

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Independent Auditors Review Report to the Members of 8common Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of 8common Limited (the Company) and its Controlled Entities (collectively the Group) which comprises the consolidated statement of financial position as at 31 December 2017, 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.

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 the Group is not in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial 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.

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 existing operations, repay its remaining ATO debt pursuant to the prescribed payment plan and the proposed receipt of cash inflows from the partial sale of shares in Cloudaron Pte Ltd.

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, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the Corporations Act 2001 including; giving a true and fair view of the Group's consolidated financial position as at 31 December 2017 and its consolidated financial 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 auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Walker Wayland NSW

Walker Wayland NSW
Chartered Accountants

Richard Woods
Partner

Dated this 28th day of February 2018, Sydney