



RKS CONSOLIDATED LIMITED

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Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

By: e-lodgement

COMPANY ANNOUNCEMENT
For immediate release

RKS Consolidated Limited signs Share Sale Agreement to acquire SkyFii Group Pty Limited

The Directors of RKS Consolidated Limited (**RKS**) are pleased to announce that RKS has entered into a Share Sale Agreement (**SSA**) to acquire 100% of the shares of SkyFii Group Pty Limited (**SkyFii**) (the **Transaction**).

As the Transaction involves a change in the nature and scale of the Company's activities, the Transaction is conditional on the approval of RKS shareholders at a general meeting to be held on or about 16 September 2014 (**General Meeting**). A Notice of Meeting will be sent to RKS shareholders in due course.

As part of the Transaction:

- RKS is seeking to raise at least \$2,500,000 by way of a public offer under a prospectus which will be issued in due course; and
- RKS will implement a 10-to-1 share consolidation of its existing share capital. This share consolidation will occur post the General Meeting. Accordingly, all share issues both under the Transaction and under the capital raising will be done on a post consolidation basis. Based on the price of the most recent capital raising of \$0.02 per share the implied share value used for the Transaction and capital raising is \$0.20 per share.
- Wayne Arthur will be appointed Managing Director and CEO of RKS.

1 About SkyFii

SkyFii is a leading Australian based retail technology company which captures, analyses and visualises customer behaviour to provide retailers with actionable insights to drive more informed decision making and deliver targeted content in real-time. SkyFii services are currently available in Australia, Brazil, Indonesia and South Africa.

Originally conceived in late 2011, the development of SkyFii's business model has been spearheaded by Mr Wayne Arthur, Managing Director and CEO, and supported by an entrepreneurial team with extensive commercial experience in technology, media, product development and operations.

At the heart of SkyFii is proprietary technology platform which is able to collect a wealth of consumer behavioural and intent data both online and physically within retail environments. The platform integrates this data with the retail partners existing data sets (online/offline/POS/ CRM) to form an actionable 360 view of current and future customers.

SkyFii's unique integrated data warehouse and content delivery platform allows retailers/advertisers to use this data, including location information and customer profiles, to push targeted content to and engage with customers through WiFi, SMS, Email or App based push notifications in real-time. This "targeted" messaging can be enhanced with Bluetooth LE nodes providing localised proximity marketing by integrating with a customer's mobile app.

In addition, SkyFii's in store data gathering capability can inform retailer's operational strategy (staffing, merchandising, infrastructure) through providing insight into physical customer habits in store and patterns exhibited before and after entering the store.

2 Transaction terms

The key elements of the Transaction are as follows:

- (a) the Company will implement a 10-to-1 consolidation of its existing share capital;
- (b) the Company will acquire all of the issued equity securities of SkyFii from SkyFii security holders and as consideration the Company will:
 - (i) issue RKS shares, each with an issue price of 0.20 to the value of \$14,000,000 as initial consideration (**Consideration Shares**); and
 - (ii) issue RKS shares, each with an issue price of \$0.20, up to a maximum amount of \$16,500,000 by way of an earn out (**Earn Out Shares**). The total amount of the Earn Out Consideration will be based on the revenue of the Company during the 2016 calendar year.
- (c) RKS will seek to undertake a capital raising of at least \$2,500,000 by way of a public offer, at an issue price of \$0.20 under a prospectus which will be issued in due course. The funds raised under the prospectus will assist with the expenses of the offer and provide working capital to fund ongoing operations and future growth of the combined RKS/SkyFii group.
- (d) the Company will issue RKS shares to its advisors valued at \$500,000 as consideration for advisory services performed.
- (e) Peter Dykes, Suyin Chi and Robert Spano will resign as directors of the Company;
- (f) Nominees of SkyFii will be appointed as directors of the Company;
- (g) The Company will be required to re-comply with the ASX admission requirements; and
- (h) Wayne Arthur will be appointed as CEO of the Company; and
- (i) The name of the Company will be changed to SkyFii Limited.

3 Conditions

The Transaction is conditional upon the following conditions precedent being satisfied:

- (a) there is no material adverse change in the financial condition or operations of SkyFii, when compared with the financial condition or operations of SkyFii as at the date of the SSA.
- (b) there is no material and adverse change in the financial condition or operations of the RKS, when compared with the financial condition or operations of RKS as a whole as at the date of the SSA.

- (c) RKS obtaining all necessary regulatory approvals and satisfying all requirements under the Corporations Act and the ASX Listing Rules (including all appropriate or necessary waivers) for the Transaction;
- (d) the Public Offer being completed.
- (e) ASX confirms that it is satisfied that RKS has re-complied with chapters 1 and 2 of the ASX Listing Rules and that suspension of trading in shares in RKS will cease with effect from or before Completion.

4 General Meeting

A summary of the resolutions to be put to RKS shareholders at the General Meeting is as follows:

- (a) approval of a 10-to-1 consolidation of RKS shares on issue;
- (b) approval of the Transaction for the purposes of ASX Listing Rule 11.1;
- (c) approval of the issue of the Consideration Shares and the Earn Out Shares to the SkyFii shareholders, at an effective issue price of \$0.20 per RKS share;
- (d) approval of the issue of at least \$2,500,000 worth of RKS shares pursuant to the public offer, each with an issue price of \$0.20 per RKS share;
- (e) approve the change of name of the Company to 'SkyFii Limited'; and
- (f) approval of the appointment of nominees of SkyFii as directors of the Company.

The passing of each resolution is effectively conditional on the passing of all other resolutions.

5 Change of activities

The Transaction will require the Company to change the nature and scale of its activities in accordance with Listing Rule 11.1, subject to the approval of the Company's shareholders

Pursuant to ASX Listing Rule 11.1.3, the Company is now required to re-comply with all of the requirements of Chapters 1 and 2 of the ASX Listing Rules before it proceeds with the proposed change in nature and scale of its activities. This re-compliance will require the Company to lodge a prospectus.

6 Effect on RKS capital structure

The following table shows the indicative impact the Transaction will have on the Company's share capital structure, subject to rounding of fractional entitlements under the proposed RKS share consolidation and assuming the public offer is fully subscribed:

Share Capital transaction	Number of Shares	% of total
Total RKS Shares on issue (pre-consolidation)	100,000,000	-
Shares on issue post consolidation on a 1:10 basis	10,000,000	5.633 %
Shares to be issued to Vendors security holders at \$0.20 per Share	70,000,000	39.463 %
Shares to be issued to under the public offer at \$0.20 per Share	12,500,000	7.042 %
Maximum number of earn out shares	82,500,000	46.478 %

Issue of Shares to Advisors	2,500,000	1.408 %
Total RKS Shares on completion of the SkyFii acquisition and change of activities	177,500,000	100%

7 Financial Information

An unaudited Pro forma balance sheet of the combined RKS/SkyFii entity (taking into account the effect of the capital raising and following completion of Transaction) is set out below:

	Consolidated Entity	
	31/12/13 (A)	14/10/14 (B)
	(\$000)	(\$000)
CURRENT ASSETS		
Cash and cash equivalents	1	2,034
Receivables	16	165
Other	-	77
TOTAL CURRENT ASSETS	17	2,276
NON CURRENT ASSETS,		
Intangibles	-	65
Fixed Assets	-	10
Other	-	12
TOTAL NON CURRENT ASSETS	-	87
TOTAL ASSETS	17	2,363
CURRENT LIABILITIES		
Payables and accruals	138	568
Borrowings	-	-
TOTAL CURRENT LIABILITIES	138	568
TOTAL NON-CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	138	568
NET ASSETS	(121)	1,795
EQUITY		
Contributed equity	33,514	50,541
Reserves	234	-
Retained earnings (accumulated losses)	(33,869)	(48,746)
TOTAL EQUITY	(121)	1,795

A) Extract from published financial position dated 31 December 2013

B) Pro forma statement of financial position as at 14 October 2014 assuming all monies raised and purchase consideration shares issued.

8 Suspension

Trading in the Company's quoted securities is currently suspended. As noted above, the acquisition of SkyFii will involve a significant change in the nature and scale of RKS's activities. Accordingly, it will be necessary for RKS to re-comply with the admission requirements in Chapters 1 and 2 of the ASX Listing Rules in order for the ASX to lift that suspension.

9 Indicative Timetable

Action	Proposed Date
Execution of share purchase agreement	30 July 2014
Lodgement of Prospectus with ASIC	20 August 2014
General Meeting	16 September 2014
Closing date of public offer	23 September 2014
Acquisition completion	30 September 2014
Expected date for re-quotation of the Company's securities on ASX	14 October 2014

The above dates are indicative only and may be subject to change in the discretion of the Directors of RKS without notice.

10 Additional Information

For additional information about this announcement, please contact Peter Dykes or Anthony Dunlop on (02) 8079 2940.

Yours faithfully



Peter Dykes
Chairman