

28 August 2018

Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Attention: Company Announcements Office

Dear Shareholders

SUBJECT: CORRECTED RCR PROSPECTUS – ENTITLEMENT OFFER

RCR Tomlinson Limited (ASX: RCR) lodged a prospectus with ASX at 9.16am on 28 August 2018, which omitted the Investigating Accountant's Report referred to in section 8.

Enclosed is a corrected version of the Prospectus which now includes the three (3) page Investigating Accountant's Report at section 8.

There are no other changes to the version of the Prospectus which was lodged this morning.

Yours sincerely,



Darryl Edwards
Company Secretary
RCR Tomlinson Ltd

RCR TOMLINSON LIMITED (ABN 81 008 898 486)

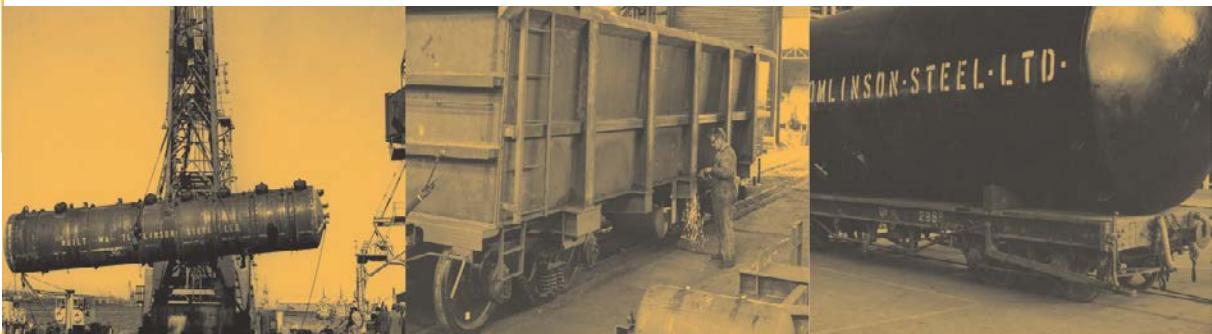
1 for 1.65 pro-rata accelerated non-renounceable entitlement offer of RCR Tomlinson Ltd ordinary shares at an offer price of \$1.00 per New Share.

The retail component of this offer closes at 5.00pm (Sydney time) on 19 September 2018 (unless extended). Valid applications must be received by that time.

This document is not for release or distribution in the United States.

IMPORTANT NOTICE

This is an important document which is accompanied by a personalised entitlement and acceptance form and both should be read in their entirety. Please call your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any questions.



Important information

About this Prospectus

This Prospectus relates to the 1 for 1.65 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of New Shares by RCR Tomlinson Ltd (**RCR**). This Prospectus is dated 28 August 2018 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on the same date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Shares issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

RCR will apply to ASX for official quotation of the New Shares offered pursuant to this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus regard has been had to the fact that RCR is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom investors may consult. Investors should therefore have regard to the other information disclosed to ASX in relation to RCR before deciding whether to invest.

Eligible Shareholders should read this Prospectus in its entirety and seek professional advice where necessary.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings. These words and expressions are capitalised and are defined in the Glossary in section 12 of this Prospectus.

Financial amounts and times

A reference to dollars, (\$) or cents in this Prospectus is a reference to Australian currency unless otherwise indicated. A reference to time in this Prospectus is a reference to the time in Sydney, Australia.

This Prospectus does not provide financial product or investment advice – you should seek your own professional investment advice

The information provided in this Prospectus is not investment advice or financial product advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read this Prospectus in full before deciding whether to invest in the New Shares and consider all of the risks that could affect the performance of New Shares or RCR. Risks identified in relation to investing in New Shares that you should consider include those described in section 6. You should carefully consider these risks and your investment objectives, financial situation or particular needs (including financial and taxation issues) and seek independent professional advice from your stockbroker, accountant, solicitor, or other professional adviser before deciding whether to invest in New Shares.

The potential tax effects of the Entitlement Offer will vary between investors. A summary of the potential general tax implications for certain eligible retail investors resident in Australia and New Zealand and taking up their entitlements in the retail component of the Entitlement Offer is set out in sections 9 and 10. However, all investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

Future performance and forward-looking statements

This Prospectus contains certain "forward-looking statements". Forward-looking statements can generally be identified by the use of forward-looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of RCR the outcome and effects of the Entitlement Offer and the use of proceeds. To the extent that certain statements contained in this Prospectus may constitute "forward-looking statements" or statements about "future matters", the Information reflects RCR's intent, belief or expectations as at the date of this Prospectus. Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause RCR's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should

consider the forward-looking statements contained in this Prospectus in light of those disclosures and not place reliance on such statements. Any forward looking statements, opinions and estimates in this Prospectus are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Neither RCR, the Underwriter nor their respective related bodies corporate or affiliates nor their respective directors, officers, partners employees and agents give any warranty, representation, assurance or guarantee that the occurrence of the events expressed or implied in any of the forward-looking statements in this Prospectus will actually occur. In addition, please note that past performance should not be relied upon as (and is not) an indication or guarantee of future performance.

Except as required by law or regulation (including the ASX Listing Rules), RCR undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Past performance

Investors should note that past performance, including the past share price performance of RCR and pro forma historical information in this Prospectus is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future RCR performance, including future share price performance. The pro forma historical information is not represented as being indicative of RCR view's on its future financial condition and/or performance.

Financial Information

Non-IFRS financial measures

Certain financial data included in, or incorporated by reference into, the Prospectus are non-IFRS financial information under ASIC Regulatory Guide 230 (*Disclosing non-IFRS financial information*). These measures include Net Debt, fee revenue, Underlying EBIT, EBITDA, EBITDA margin, EBIT, EBIT margin, gross margin, working capital, Order Book value, preferred tender value and backlog. These non-IFRS financial measures do not have a standardized meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although RCR believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial measures included in this Prospectus.

Proforma financial information

The Prospectus contains pro forma financial information showing the proposed application of the proceeds of the Offer. The pro forma financial information provided is for illustrative purposes only and should not be relied upon as, and is not represented as being indicative of RCR's future financial condition and/or performance.

Disclaimer of representations

No person is authorised to provide any information or to make any representation in connection with the Entitlement Offer that is not contained in this Prospectus. Any information or representations not contained in this Prospectus may not be relied upon as having been authorised by RCR, the Underwriter, any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees and agents in connection with the Entitlement Offer.

Neither the Underwriter nor any of its related bodies corporates and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Prospectus or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriter, its related bodies corporate and affiliates and each of their directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Prospectus being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Underwriter nor any of its related bodies corporates and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any information, and you represent, warrant and agree that you have not relied on any statements made by the Underwriter, any of its related bodies corporates and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

The Underwriter may also hold interests in the securities of RCR or earn brokerage, fees or other benefits from RCR. The engagement of the Underwriter by RCR is not intended to create any agency, fiduciary or other relationship between the Underwriter or any other investor.

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal requirements and regulatory requirements, logistical and registry constraints and the discretion of RCR and the Underwriter. To the maximum extent permitted by law, RCR, the Underwriter, their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents expressly disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion.

To the maximum extent permitted by law, the Underwriter, its related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents expressly disclaim all liability in respect of, makes no representation regarding and takes no responsibility for any part of this Prospectus.

Restrictions applicable to foreign Shareholders

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law. If you are a Shareholder in any jurisdiction outside Australia or New Zealand and you come into possession of this Prospectus, then you should observe any such restrictions. See section 11.15 on Foreign Selling Restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation to potential investors to whom it would not be lawful to make such an offer or invitation.

No action has been taken to register or qualify the Entitlement Offer or the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction other than Australia and New Zealand. The Entitlement Offer is not being extended to any Shareholder outside Australia and New Zealand, other than to Eligible Institutional Shareholders and certain other Institutional Investors as part of the Institutional Entitlement Offer and the shortfall bookbuild.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of RCR with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This Prospectus, the investor presentation, any accompanying ASX announcements relating to the Entitlement Offer and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person holds ordinary shares in RCR and is acting for the account or benefit of a person in the United States).

The New Shares and the entitlements have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares and the entitlements may not be offered, sold, resold or otherwise transferred, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold ordinary shares in RCR and are acting for the account or benefit of a person in the United States).

The New Shares and the entitlements may only be offered and sold to certain investors that are outside of the United States, in selected jurisdictions in reliance on Regulation S under the US Securities Act and the applicable laws of the jurisdiction in which the New Shares and the entitlements are being offered and sold.

This Prospectus may not be distributed or released to any person in the United States.

Application for New Shares

An application for New Shares by Eligible Retail Shareholders will only be accepted by following the instructions on the Entitlement and Acceptance Form accompanying this Prospectus as described in section 3 of this Prospectus.

Investigating Accountant's Report on Financial Information and Financial Services Guide

The provider of the Investigating Accountant's Report on Financial Information is required to provide Australian retail clients with a Financial Services Guide in relation to the review under the Corporations Act (**Financial Services Guide**). The Investigating Accountant's Report and accompanying Financial Services Guide are provided in section 8.

Privacy

Please read the privacy statement located under section 11.12. It is important you understand that by submitting an Entitlement and Acceptance Form in or accompanying this Prospectus and applying for New Shares, you consent to the matters outlined in that statement.

Diagrams

The diagrams used in this Prospectus are illustrative only. They may not necessarily be shown to scale. The diagrams are based on information which is current as at the date shown.

Enquiries

If you would like more information or have any questions in relation to the Retail Entitlement Offer, please contact your stockbroker, accountant, solicitor, or other professional adviser to determine whether it meets your objectives, financial situation and needs, or call the RCR Retail Entitlement Offer Information Line on 1300 155 608 (within Australia) or +61 3 9415 4035 (outside Australia).

If you have any questions on how to:

- (a) complete the personalised entitlement and acceptance form accompanying this Prospectus which Eligible Shareholders may use to apply for New Shares; or
- (b) take up all or part of your Entitlement,

please call the RCR Retail Entitlement Offer Information Line between 8:30am and 5:30pm (Sydney time)

Monday to Friday during the period from and including the date on which the Retail Entitlement Offer opens until and including the date on which it closes on 1300 155 608 (within Australia) or +61 3 9415 4035 (outside Australia).

If you take no action or your application is not supported by cleared funds, your Entitlement will lapse and you will not be issued with New Shares. You should note that if you do not take up all or part of your Entitlement, then your percentage shareholding in RCR will be diluted by your non-participation in the Entitlement Offer. Eligible Shareholders who do not take up their Entitlement in full will not receive any payment or value for that part of their Entitlement they do not take up.

If you have misplaced your Entitlement and Acceptance Form and would like a replacement form, please call the applicable number above. Alternatively, if you have internet access and have the Securityholder Reference Number or Holder Identification Number for your holding(s), you can download a replacement form from the Share Registry's secure website at www.investorcentre.com.

1	INVESTMENT OVERVIEW	12
2	DETAILS OF THE ENTITLEMENT OFFER	25
3	ACTIONS REQUIRED BY ELIGIBLE RETAIL SHAREHOLDERS	31
4	OVERVIEW OF RCR	34
5	FINANCIAL INFORMATION	48
6	KEY RISKS	55
7	KEY PEOPLE, INTERESTS AND BENEFITS	70
8	INVESTIGATING ACCOUNTANT'S REPORT	75
9	AUSTRALIAN TAXATION IMPLICATIONS	77
10	NEW ZEALAND TAXATION IMPLICATIONS	79
11	ADDITIONAL INFORMATION	81
12	GLOSSARY	100
13	CORPORATE DIRECTORY	107

Summary of the Entitlement Offer and key dates

Key Entitlement Offer statistics

Entitlement Offer Ratio	1 New Share for every 1.65 Shares held at the Record Date
Offer Price	\$1.00 per New Share
Number of New Shares offered under the Entitlement Offer	Approximately 100 million
Number of Shares on issue at completion of the Entitlement Offer	Approximately 266 million
Entitlement Offer proceeds (before Entitlement Offer costs)	Approximately \$100 million

Summary of key dates

Prospectus lodged and Entitlement Offer announcement	28 August 2018
Institutional Entitlement Offer and Institutional Shortfall Bookbuild opens	28 August 2018
Institutional Entitlement Offer and Institutional Shortfall Bookbuild closes	29 August 2018
Announce results of Institutional Entitlement Offer and normal trading on ASX resumes (on ex-entitlement basis) (by 10:00am, Sydney time)	30 August 2018
Record Date for Entitlement Offer	30 August 2018
Despatch of Prospectus and personalised Entitlement and Acceptance Forms to Eligible Retail Shareholders and Retail Entitlement Offer opens	3 September 2018
Institutional Entitlement Offer settlement	4 September 2018
Issue and quotation of New Shares under the Institutional Entitlement Offer	5 September 2018
Close of Retail Entitlement Offer	19 September 2018
Retail Entitlement Offer settlement	25 September 2018
Issue of New Shares under the Retail Entitlement Offer	26 September 2018
Quotation of New Shares issued under the Retail Entitlement Offer on ASX	27 September 2018
Updated CHESS notices and issued sponsored holding statements in relation to the New Shares issued under the Retail Entitlement Offer despatched	28 September 2018

The timetable above is indicative only and may be subject to change. RCR reserves the right to amend any or all of these dates and times without prior notice subject to the Corporations Act, the Listing Rules and other Applicable Laws. In particular, RCR reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date of the Retail Entitlement Offer will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

What you should do?

This Prospectus contains important information in relation to the Entitlement Offer. You should read all of this Prospectus carefully, including section 6 which identifies the key risks associated with an investment in RCR and New Shares and section 9 which contains a general summary of the Australian tax implications associated with the Retail Entitlement Offer for Eligible Retail Shareholders.

It is also important for you to read carefully and understand the information on RCR and the Entitlement Offer made publicly available, including the information lodged by RCR with the ASX as part of its continuous disclosure obligations, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to the other announcements made available at www.asx.com.au (search by reference to RCR's ASX ticker which is RCR) including announcements which may be made by RCR after publication of this Prospectus and announcements relevant to the Entitlement Offer such as the investor presentation and RCR's FY18 Audited Financial Report.

If you are in doubt as to the course of action you should follow, you should consult your broker, legal, financial or other professional adviser before making an investment decision.

Letter from the Chairman

28 August 2018

Dear Shareholder

On behalf of the Board, I invite you to participate in RCR's underwritten 1 for 1.65 pro rata accelerated non-renounceable entitlement offer at the price of \$1.00 per New Share (**Offer Price**), to raise approximately \$100 million (**Entitlement Offer**).

As set out in detail in section 4.3.2 of this Prospectus and as announced on 28 August 2018, RCR has experienced significant cost overruns at the Daydream and Hayman Solar Farm projects (**Project**). The issues experienced on the Project are taken very seriously by the Board and the Executive Management team. As described further below and in section 4.3 of this Prospectus, a comprehensive internal investigation into the circumstances surrounding the cost overruns at the Project has been completed and several actions and additional measures are being implemented to address the issues discovered.

In addition to the Entitlement Offer, RCR also announces today that it has secured an increase in the headroom available under its working capital facility, which together with the Entitlement Offer will be used to strengthen RCR's balance sheet and address the financial impacts at the Project.

As announced on 7 August 2018 by RCR, Non-Executive Director, Mr Bruce James, has been appointed as Interim Chief Executive Officer. Mr James has been a Non-Executive Director since 2014 and he has over thirty years of extensive experience in contracting businesses across the infrastructure, resources, oil & gas, defence and energy sectors. The Board of Directors believe he is well placed to lead RCR as we re-position towards a more acceptable risk profile.

RCR's primary strategy continues to be the delivery of engineering, construction and maintenance solutions in the infrastructure, energy and resources markets in Australia, New Zealand and South East Asia. We also remain ideally positioned in a range of growing markets, including the rail and transport, energy, water, renewables, resources and property services sectors.

Under the leadership of Mr James, RCR's primary focus in the near-term will be on the following strategic objectives:

- (a) Consolidating existing operations, successfully completing current projects and carefully assessing near-term opportunities with a focus on contracting with well-known counterparties and projects with a more acceptable risk profile;
- (b) Increasing exposure to the rail and transport sectors. RCR is currently tendering for several major rail and tunnel projects across Australia and New Zealand, and is well placed to benefit from the significant opportunities in these sectors;
- (c) Selectively pursuing opportunities in the renewables sector. The strong pipeline of solar opportunities and RCR's market position in this sector means RCR is well placed to be more selective about counterparties, project size, project risk profile and project margin; and
- (d) Shifting the project portfolio towards 'alliance style' contracting models, which involve higher working capital requirements, but offer a more favourable risk allocation to RCR as the contractor and therefore should provide a higher degree of margin predictability.

RCR will continue to invest in broadening its engineering-led offerings, developing partnerships with technology leaders, and maintaining a continuous focus on creating Engineering Intelligence™ solutions that enhance customer value.

Overview of cost overruns at the Project

In August 2017, RCR was appointed as contractor for the EPC and O&M of the contiguous 150MWac Daydream and the 50MWac Hayman Solar Farms located in Northern Queensland, with a contract value on award of \$315 million.

Construction of the Project is substantially complete, and energisation and commissioning has commenced.

The Project has experienced significant cost overruns due to several compounding project-specific issues, including external delays and materially worse sub-surface ground conditions than were not allowed for in the tender estimate, as well as adverse weather conditions. These project specific issues required RCR to continuously revise its execution methodologies to mitigate delays. As a result of these cost overruns, RCR has realised cumulative write-downs of \$57 million from the tendered margin on the Project.

A large proportion of the write-downs were only recently identified. This was due to the on-site procedures adopted by a limited number of site personnel, which had the effect of circumventing RCR's standard processes and project-level systems relating to procurement commitments.

A comprehensive internal investigation into the circumstances surrounding the cost overruns at the Project has been completed, and several actions and additional measures are being implemented to mitigate the risk of project-level systems being circumvented and cost overruns going undetected in the future.

Specifically, these actions and additional measures will seek to:

- (a) mitigate risk at the Project from now until completion;
- (b) mitigate risk associated with cost overruns being experienced on projects in the future; and
- (c) ensure that RCR's processes and systems are being followed consistently.

Outside the cost overruns experienced on the Project, RCR continues to operate across a large number of projects which, typical of a contracting business, experience some variance to tendered margins.

Further details on the circumstance relating to the cost overruns and the additional measures being implemented are set out in section 4.3 in this Prospectus.

FY18 Audited Financial Report

The write-downs on the Project have impacted RCR's FY18 results. RCR has reported revenue from continuing operations of \$1,998.5 million, up 58.2% on the prior comparative period, underlying EBIT loss of \$4.2 million, including \$57 million in cumulative write-downs on the Project, and a statutory net loss after tax of \$16.1 million, for the year ended 30 June 2018.

Further details on RCR's FY18 results and financial position are set out in RCR's FY18 Audited Financial Report and section 5 of this Prospectus.

Furthermore, as part of the group audit for FY18, additional procedures were conducted by the Independent Auditor in relation to the Project and RCR's cost management systems and procedures. The Independent Auditor's responses to these issues are set out as key

audit matters in the audit report. As a result, the Independent Auditor has issued an unqualified audit opinion in relation to RCR's FY18 results. The audit opinion includes an emphasis of matter because the group recorded a loss of \$16.1 million for the year and other matters as set out in section 1.3 ('Basis for Preparation') to RCR's FY18 Audited Financial Report around the Project and ongoing financing.

The audit opinion is modified, but not qualified, in respect of this matter, which would be resolved by completion of the Entitlement Offer and the financier support announced today. I encourage you to read the Independent Auditor's Report accompanying RCR's FY18 Audited Financial Report which was released by RCR to ASX on 28 August 2018.

Support under the Facility Agreements

To support RCR's working capital requirements, RCR's financiers have agreed to make an additional \$25 million available under its working capital facilities, which can be drawn for working capital purposes, with a corresponding reduction in the bank guarantee facility of \$25 million.

In addition, whilst RCR believes it was in compliance with all financial covenants under its debt facilities as at 30 June 2018, to avoid any uncertainty around potential covenant breach post release of the FY18 Audited Financial Report, RCR has proactively secured agreement from all financiers that, in calculating the group's EBITDA¹ for the 30 June 2018 calculation date and each quarterly calculation date up to and including 30 June 2019, RCR may add back to EBITDA¹ the cost impact of the Project of an amount up to \$50 million.

Further details on the conditions for support from financier is set out in section 11.6 below.

Entitlement Offer

The Entitlement Offer is being conducted by way of a 1 for 1.65 pro rata accelerated non-renounceable entitlement offer. The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). New Shares issued under the Entitlement Offer will rank equally with Existing Shares in all respects.

The Entitlement Offer is made under this Prospectus, pursuant to which all Eligible Shareholders are invited to subscribe for 1 New Share for every 1.65 Existing Shares at the Offer Price of \$1.00 per New Share. The shareholding of Eligible Shareholders for the purposes of participating in the Entitlement Offer will be determined by the number of Shares held at 7:00pm (Sydney time) on the Record Date of 30 August 2018.

The Entitlement Offer is underwritten by Macquarie Capital (Australia) Limited.

Eligible Shareholders can choose to take up all, part or none of their Entitlement.

The Institutional Entitlement Offer will open on 28 August 2018 and close at 9:00am (Sydney time) on 29 August 2018. The Retail Entitlement Offer will open on 3 September 2018, and close at 5:00pm (Sydney time) on 19 September 2018. If you are an Eligible Retail Shareholder and you wish to take up all or part of your Entitlement, you need to ensure that you have completed and returned your Entitlement and Acceptance Form before this time in the manner described in section 3.1 of this Prospectus.

¹ EBITDA, as defined in the Syndicated Facility Agreement.

Board Changes

After 10 years on the Board of RCR, Eva Skira has informed the Board that she will be retiring as a Director in the lead up to the 2018 annual general meeting. We thank Eva for her dedicated service to RCR during her tenure and we wish her well.

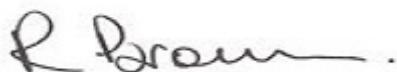
Further Information

Please carefully read this Prospectus in its entirety and consult your broker, legal, financial or other professional adviser before making your investment decision. In particular, you should read and consider the risk factors in section 6 of this Prospectus, which contains a summary of some of the key risks associated with an investment in RCR and New Shares.

If you have any questions in respect of the Entitlement Offer, please call the RCR Entitlement Offer Information Line on 1300 155 608 within Australia or +61 3 9415 4035 outside Australia from 8:30am to 5:00pm (Sydney time) Monday to Friday.

On behalf of the Board, I encourage you to participate in the Entitlement Offer and thank you for your continued support.

Sincerely,



Roderick Brown
Chairman
RCR Tomlinson Ltd

1 Investment overview

1.1 Eligible Institutional Shareholders

If you are an Eligible Institutional Shareholder, you are eligible to participate in the Institutional Entitlement Offer being conducted by RCR.

An Eligible Institutional Shareholder under this Prospectus is any Shareholder as at the Record Date who is an Institutional Investor and who the Underwriter determines may receive an offer on behalf of RCR under the Institutional Entitlement Offer provided it is only an Eligible Institutional Shareholder if its buy order is originated outside the United States and constitutes an “offshore transaction” within the meaning of Regulation S.

1.2 Eligible Retail Shareholders

1.2.2 Am I eligible to participate in the Retail Entitlement Offer?

If you are an Eligible Retail Shareholder, you are eligible to participate in the Retail Entitlement Offer.

An Eligible Retail Shareholder under this Prospectus is a Shareholder as at the Record Date and who:

- (a) has a registered address in Australia or New Zealand;
- (b) is not an Eligible Institutional Shareholder;
- (c) is not an Ineligible Institutional Shareholder; and
- (d) is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such a person holds ordinary shares in RCR and is acting for the account or benefit of a person in the United States).

If you are a Shareholder on the Record Date who is not an Eligible Retail Shareholder, Eligible Institutional Shareholder or Ineligible Institutional Shareholder, then you are an Ineligible Retail Shareholder.

1.2.3 What are the options available to Eligible Retail Shareholders?

Option	Key considerations
If you wish to take up all or part of your Entitlement	<p>If you wish to take up all or part of your Entitlement, please either:</p> <ul style="list-style-type: none"> (a) complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies; or (b) pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form, <p>in each case, so that payment is received by no later than 5:00pm (Sydney time) on 19 September 2018.</p> <p>If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be</p>

Option	Key considerations
	<p>issued New Shares on 26 September 2018. RCR's decision on the number of New Shares to be issued to you will be final.</p> <p>RCR also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to an Eligible Retail Shareholder if RCR believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to RCR's satisfaction (see section 2.9).</p>
If you do not wish to take up any part of your entitlement, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<p>If you take no action you will not be allocated any New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any payment or value for those Entitlements they do not take up.</p> <p>The percentage holding of Eligible Retail Shareholders who do not participate fully in the Retail Entitlement Offer will be diluted.</p>

1.2.4 Key risks associated with an investment in RCR

There are risks involved with investing in New Shares and in RCR. Many of these risks are outside of the control of RCR, its directors and senior management. These risks include those described in section 6 and other matters referred to in this Prospectus. These risks may affect the future strategy, operating and financial performance of RCR and the value of RCR shares. Before making any investment decision, you should read the entire Prospectus and carefully consider these risk factors.

Risk	Summary of risk	Section for further information
Class Action Risk and Regulatory Risk	<p>Following the recent events on the solar project, there is a risk of class action. A risk of a class action being threatened or instituted arises in circumstances where earnings fall short of market expectations or company guidance if a reduction in the share price results. RCR is not aware of any threat of a class action having been made at this point in time.</p> <p>There is a risk of regulatory action against RCR in these circumstances.</p>	See section 6
Impact of Suspension of RCR shares	<p>RCR shares have been in trading halt since 30 July 2018 and in voluntary suspension since 1 August 2018. It is possible that associated uncertainties will result in a loss of confidence in RCR, including by existing and future RCR customers, suppliers and partners. Such loss of confidence by customers may negatively impact RCR's ability to convert Preferred Contractor Status into future revenue, to secure new customers and contracts, maintain business</p>	See section 6

Risk	Summary of risk	Section for further information
	<p>relationships and overall profitability.</p> <p>Further, the suspension and any resulting loss of confidence may cause damage to RCR's reputation and brand, the potential consequence of such are set out below.</p> <p>There is a risk that the uncertainty around the suspension will also have led to a loss of confidence from employees resulting in departures of key personnel and a hindrance on future recruitment of employees.</p>	
Failure of Systems and Processes	<p>There can be no assurance that internal control systems and procedures will not result in, or lead to, a future material weakness or loss of accreditations, including a failure of systems to ensure effective control of costs across projects and operations. Failure to maintain proper and effective internal controls may adversely impact RCR.</p> <p>Whilst RCR has systems and policies and processes in place to manage general personnel risk (including ensuring that all employees are aware of those policies and procedures), RCR cannot guarantee that an individual will not engage in conduct contrary to RCR's internal controls, system, business rules, policies and procedures or the law (including fraudulent activity). Any such action could adversely affect RCR's ability to meet current commitments, deliver projects and have an adverse impact on RCR and its brand.</p>	See section 6
Potential for cost overruns on projects	<p>There is a risk that additional cost overruns occur across one or more of RCR's projects which, may have an impact on RCR's future financial performance. In addition to potentially impacting RCR's financial performance, additional cost overruns may result in an inability to procure future contracts and maintain existing contracts. Further, future cost overruns have the potential to be costly and damaging to RCR's reputation and business relationships, which in turn could have an adverse effect on RCR, including its operating and financial performance, industry standing and the value of RCR shares.</p>	See section 6
Contingency and Impairment	<p>Project receivables are subject to the outcome of certain claims which have been made by, or against, RCR and RCR controlled entities. These claims arise out of contracts in the ordinary course of business. Estimates are regularly made in relation to claims and variation positions, and management assesses</p>	See section 6

Risk	Summary of risk	Section for further information
	<p>the likelihood of recovery prior to recognising any receivable amount in the Financial Statements in accordance with accounting standards.</p> <p>This opinion is based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that are expected to take place. It is possible that such analysis, and the best estimate assumptions made by RCR, draw conclusions and forecasts which are inaccurate or which may not be realised in due course. If this is the case, the actual amount recoverable by RCR may be more or less than the carrying value of its receivables, which may have an impact on RCR's financial performance and the value of RCR shares.</p>	
Inability to maintain a strong Balance Sheet to support strategy	<p>Capital for the business is a fundamental requirement to achieve business objectives and to meet financial obligations when they fall due. The inability to maintain a strong balance sheet or to secure new capital or credit facilities (in the form of cash advance, overdraft, guarantee bonding facilities) could impact RCR's opportunity to bid for work, make investments or meet its ongoing liquidity needs. The perception of strong balance sheet is equally important to retaining the confidence of external counterparties and maintaining commercial terms as well as winning new work. This loss of confidence in RCR's balance sheet may impact RCR's future financial performance and has the potential to be costly and damaging to RCR's reputation and business relationships, which in turn could have an adverse effect on RCR, including its operating and financial performance, including standing and the value of RCR shares.</p>	See section 6
Working capital requirements	<p>Due to the nature of RCR's business, and operations, RCR has significant working capital requirements, which is expected to continue into the future. Relevantly, RCR's revised operating strategy includes a shift towards 'alliance style' contracting. This type of arrangement requires a larger amount of working capital than is required under EPC style arrangements.</p> <p>Furthermore, due to the nature RCR's business, specifically in respect to the receipt of milestone payments under project contracts, it is possible that RCR may be unable to accurately predict working capital requirements in the future. If this is the case, RCR may require additional funding to address those</p>	See section 6

Risk	Summary of risk	Section for further information
	working capital requirements.	
Reducing Demand for Services and Products	<p>The markets for RCR's goods and services are exposed to a number of risks, including the capacity of the public and private parties to invest in infrastructure, energy, resources and other projects, major project delays or cancellations (amongst others), which may decrease the demand for RCR's goods and services and unpredictable and cyclical commodity prices.</p>	See section 6
Lack of Diversification of Revenue	<p>RCR seeks to diversify its revenues across a broad range of sectors in an effort to address some of the risks described in this table and to target growth opportunities in existing and new sectors and across geographical regions.</p> <p>Nevertheless, demand for RCR's goods and services can be cyclical, concentrated and may sometimes vary markedly over relatively short periods due to a broad range of factors. Accordingly, any change to the markets in which RCR operates could adversely impact RCR's financial performance.</p>	See section 6
Renewable Energy Market Concentration Risk	<p>RCR is exposed to a range of risks and opportunities associated with engineering, procurement and construction ("EPC") of large-scale solar projects. This is a relatively new sector for RCR which is experiencing growth exposing RCR to a range of risks and opportunities including energy regulations and standards, commissioning, increased competition and associated EPC activity risks. Any adverse changes in the solar industry may have a significant impact on RCR.</p> <p>RCR's current Order Book and Preferred Contractor Status (and therefore future revenues and earnings) are weighted towards EPC contracts for new large-scale solar farms.</p>	See section 6
Adequacy of Insurance	<p>While RCR believes it manages its risk by transferring risk deemed unacceptable by way of insurance, it is not insured against all foreseeable risks. It is also not guaranteed that insurance will continue to be available on commercially acceptable terms and conditions or at a commercially acceptable cost. If an event occurs that is not covered by insurance or exceeds the insurable limits, it may have a material adverse impact on RCR's future financial performance and position.</p>	See section 6
Reduced Access to Funding –	RCR funds part of its operations with debt and relies on continued profitability and business cash flows to	See section 6

Risk	Summary of risk	Section for further information
Liquidity, Financing and Bonding	<p>meet financial covenants and to service the interest on such debt. Further, RCR relies on available cash or equity or debt funding to refinance its debt.</p> <p>RCR has performance bonding facilities under which several insurance bond providers provide bonds for projects in the ordinary course of RCR's business. The facilities are uncommitted and, as a result, RCR has no certainty that the issuer will provide the bonds as requested.</p> <p>RCR has a credit facility agreement which expires in December 2019. Further, the performance bonding facilities are subject to renewal on an annual basis. RCR's ability to comply with the terms of the facility, refinance its debt on maturity and renew or replace its performance bond facilities will depend on a number of factors including past performance, if forecasts are achieved, general economic, political, capital, credit market conditions and potentially the outcome of the independent investigation into the Project cost overruns. Any inability by RCR to raise additional funds as required, or refinance existing borrowings or replace bond facilities from time to time, on commercially acceptable terms, could adversely affect RCR's financial position, financial performance, its ability to remain within targeted levels of gearing and its ability to issue bonds in the ordinary course of its business. RCR also carries a breach of covenant risk, under Banking Facilities, if cash flows and profitability forecasts are not achieved including if the Entitlement Offer does not proceed as expected.</p>	6
Order Intake, Order Book, and Preferred Contractor Status	<p>RCR's Order Book and backlog comprise certain estimates and vary from time to time due to the impact of project delays or cancellations. RCR's Order Book at any particular date remains subject to change and is therefore an uncertain indicator of future revenue and earnings. Where RCR refers to Preferred Contractor Status, RCR cannot guarantee that this status will convert to a contract and is therefore an uncertain indicator of future earnings.</p>	See section 6
Human Capital	<p>The ability of RCR to effectively execute its strategic and operational objectives and projects, depends on the efforts and contributions of a number of key personnel and the skills and experience of its people.</p> <p>The loss of critical skills, business knowledge, experience and relationships, which may occur due to an unplanned departure of the Chairman, CEO, CFO and other key management and project</p>	See section 6

Risk	Summary of risk	Section for further information
	<p>management personnel where an appropriate replacement has not been appointed could adversely impact RCR's ability to bid and win new work, meet current commitments, deliver projects and grow the business as planned.</p> <p>In addition, any challenges in relation to RCR's ability to procure or retain appropriately experienced site staff, management and other key personnel may also impact RCR's ability to execute its strategic and operational objectives and projects.</p> <p>Further, the ability of RCR to successfully deliver client projects is dependent on the effective execution and management of that project from start to finish by the project management team. Whilst RCR has systems in place to actively monitor ongoing projects and the activities of the project management team (including monthly project control meetings with senior management), the effectiveness of those controls is dependent on the information provided by the project management team.</p>	
Failure by employees to follow RCR policies and procedures	RCR cannot guarantee that an individual will not engage in conduct contrary to RCR's business rules, policies and procedures or the law. Any such action could adversely affect RCR's ability to meet current commitments, deliver projects and have a negative impact on the earnings of RCR.	See section 6
EPC Risks	RCR's ability to achieve its operating and financial performance objectives is influenced by its ability to complete complex projects to the satisfaction of its customers. Projects may occur over extended time periods and may be impacted or delayed due to procurement, engineering design changes, construction, commissioning, adverse weather, physical environment, supplier events, performance of sub-contractors and joint venture partners, regulatory requirements, employment practices and a wide variety of other circumstances. Projects and operations, cash flows and liquidity could be adversely affected if RCR miscalculates the resources, cost or time needed to complete a project, fails to meet contractual obligations, or encounters delays due to varying conditions. In addition, some projects require payment of liquidated damages if RCR does not meet project deadlines or other contractual obligations.	See section 6
Defect risks	RCR's ability to achieve its operating and financial performance objectives is also influenced by its ability to complete projects and its deliver on its	See section 6

Risk	Summary of risk	Section for further information
	<p>contracts free of defects. There is a risk that defects in the engineering, design, construction or overall performance of the Project or other projects may be costly and damaging to RCR's reputation and business relationships, which in turn could have an adverse effect on RCR, including its operating and financial performance, industry standing and the value of RCR shares. Further, RCR's ability to procure new contracts or maintain existing contracts may also be adversely impacted.</p>	
Geotechnical Risks	<p>Geotechnical conditions substantially different from those anticipated, may impact RCR's ability to deliver projects as originally envisaged, impacting project timeline and financial performance.</p>	See section 6
Client Risk and Contract Risk	<p>RCR's businesses rely on the ability to secure new customers, new contracts and maintain business relationships. There is a risk that RCR's customers may terminate their contracts with RCR if they have termination rights, not renew those contracts upon expiry, or seek to renew those contracts on less favourable terms. This may have an adverse effect on RCR's business, including the value of RCR shares. In addition, there is a risk that RCR's customers may be late or default on their contractual obligations including payment default or delays, failure to assess or disagree with RCR's contractual claims in a timely manner. Further, there may be delays in the project outside the control of RCR that impact on RCR's financial performance.</p>	See section 6
Actual and Potential Disputes	<p>Due to the contractual nature of RCR's business, RCR is currently and may in the future be subject to claims, disputes or proceedings or brings claims, disputes or proceedings against counterparties, each in the ordinary course of business. These could be costly and damaging to RCR's reputation and business relationships, which in turn could have an adverse effect on RCR, including its operating and financial performance, industry standing and the value of RCR shares. Further, there is a current and future risk that certain persons who have a claim against RCR may threaten to exercise or exercise rights to call on any security provided by or on behalf of RCR.</p> <p>If:</p> <p>(a) the security called was issued under a performance bonding facility or the credit facility agreement, the issuer of the bond would have a right to immediately call on</p>	See section 6

Risk	Summary of risk	Section for further information
	<p>RCR to reimburse them for the amount paid on the bond; and</p> <p>(b) there was a threat to call on the security issued under a performance bonding facility, the relevant insurance bond provider would have rights to call for cash cover.</p> <p>Depending on the materiality of the call, it may have a significant and adverse impact on RCR's working capital position and its ongoing liquidity.</p> <p>The Directors are of the opinion that adequate allowance has been made for these actual and potential disputes in RCR's accounts and that disclosure of any further information about actual or potential claims, disputes or proceedings would be prejudicial to the interests of RCR.</p>	
Fixed Price and Schedule of Rates Contracts	<p>Fixed price or schedule of rates contracts exist in RCR's business. Such contracts may not be profitable where the cost of performing RCR's obligations under the contract exceeds the agreed fixed price or rates.</p>	See section 6

1.2.5 Key details of the Entitlement Offer for Eligible Retail Shareholders

Question	Answer	Section
What is the Entitlement Offer?	<p>Under the Entitlement Offer, all Eligible Shareholders are being offered the opportunity to purchase 1 New Share for every 1.65 Existing Shares at the Offer Price of A\$1.00 per New Share.</p> <p>This is a pro rata accelerated non-renounceable entitlement offer of New Shares in RCR.</p> <p>Eligible Retail Shareholders' shareholding will be determined by the Shares they hold as at the Record Date of 7.00pm (Sydney time) on 30 August 2018.</p> <p>The Entitlement Offer is comprised of the following components:</p> <p>(a) Institutional Entitlement Offer – Eligible Institutional Shareholders will be given the opportunity to take up all or part of their Entitlement. Entitlements under the Institutional Entitlement Offer are non-</p>	See section 2.1

Question	Answer	Section
	<p>renounceable.</p> <p>(b) Institutional Shortfall Bookbuild – Institutional Entitlements not taken up and Entitlements of Ineligible Institutional Shareholders will be sold through the Institutional Shortfall Bookbuild process which will be conducted at the same time as the Institutional Entitlement Offer.</p> <p>(c) Retail Entitlement Offer – Eligible Retail Shareholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part. Retail Entitlements are also non-renounceable.</p> <p>Any Retail Entitlements not taken up by Eligible Retail Shareholders will be allotted to the Underwriter or any sub-underwriters.</p> <p>The Underwriter will provide to all Eligible Institutional Shareholders the details of the Institutional Entitlements and of how to apply under the Institutional Entitlement Offer, at the commencement of the Institutional Entitlement Offer.</p> <p>You should read this Prospectus carefully before making any decisions in relation to your Entitlement. The Entitlement Offer is underwritten.</p>	
How much will be raised through the Entitlement Offer?	RCR is seeking to raise approximately \$100 million from the Entitlement Offer.	See section 2.1.6
What is the purpose of the Entitlement Offer and the use of proceeds?	<p>The Entitlement Offer will enable RCR to avoid the risk of breaching financial covenants under its Facility Agreement following release of its FY18 Audited Financial Report results.</p> <p>The proceeds of the Entitlement Offer and the extension of working capital facilities will be used to:</p> <ul style="list-style-type: none"> (a) Replace cash related to cumulative Project write-downs; (b) Support the delivery of ‘alliance style’ contracts, which typically have a higher degree of margin predictability, but require additional working capital; (c) Enhance RCR’s ability to manage working 	See section 2.1.6

Question	Answer	Section
	<p>capital requirements; and</p> <p>(d) fund transaction costs.</p>	
Is the Entitlement Offer underwritten?	Yes, the Entitlement Offer is underwritten by Macquarie Capital.	See section 11.4
What are the tax implications of investing in New Shares?	The tax implications of investing in New Shares will vary depending on the specific circumstances of individual Shareholders. Shareholders should obtain their own professional advice as to the particular taxation treatment which will apply to them. Please refer to the Australian and New Zealand tax sections of this Prospectus for more information.	See section 9 and 10
What is my Entitlement?	Your Entitlement is the right granted to you under the Entitlement Offer to subscribe for 1 New Share for every 1.65 Existing Shares you hold at the Record Date. If you are an Eligible Retail Shareholder, your Entitlement will be set out in the personalised Entitlement and Acceptance Form which accompanies this Prospectus	See Entitlement and Acceptance Form and section 2.1.10
How can I accept my Entitlement?	<p>There are two ways you can apply for your Entitlement if you are an Eligible Retail Shareholder:</p> <p>(a) submit your completed Entitlement and Acceptance Form together with a cheque, bank draft or money order with the requisite Application Monies; or</p> <p>(b) pay your Application Monies via BPAY®,</p> <p>in each case, so that payment is received by no later than 5:00pm (Sydney time) on 19 September 2018.</p> <p>The Underwriter will provide to all Eligible Institutional Shareholders details of how to apply under the Institutional Entitlement Offer at the commencement of the Institutional Entitlement Offer.</p>	See section 1.2.3 and section 3
Can I withdraw my application?	There are no cooling off rights with respect to the Entitlement Offer. As such, to the extent permitted by law, once you have sent in the completed Entitlement and Acceptance Form and Application Monies, your application will be irrevocable.	See section 11.8
What happens if I choose to do	If you take no action you will not be allocated New	See section 3.3

Question	Answer	Section
nothing?	<p>Shares and your Entitlement will lapse.</p> <p>Your Entitlement to participate in the Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.</p>	
How much will I pay per New Share?	<p>\$1.00 per New Share (i.e. the Offer Price).</p> <p>The Offer Price represents a:</p> <ul style="list-style-type: none"> (a) 52.8% discount to the Theoretical Ex-Rights Price (TERP);² and (b) 64.3% discount to the last close price of the Shares on the ASX of \$2.80 on 27 July 2018. 	See section 2.1
What are the rights and liabilities attaching to New Shares under the Entitlement Offer?	<p>The New Shares to be issued pursuant to this Prospectus will rank equally in all respects with Existing Shares in RCR.</p> <p>Full details of the rights attaching to RCR's Shares are set out in its Constitution, a copy of which can be inspected at RCR's registered office. Further, a summary of those rights is set out in section 11.7.</p>	See section 11.7
What happens if I am not an Eligible Shareholder?	If you are not an Eligible Shareholder, you will not be entitled to subscribe for New Shares under the Entitlement Offer. If you receive this Prospectus and a personalised Entitlement and Acceptance Form but you are an Ineligible Shareholder, please disregard.	-
What is my Entitlement if I become a Shareholder after the Record Date?	You have no Entitlement to subscribe for New Shares under the Entitlement Offer.	See section 12 (Definition of an Eligible Shareholder)
I am an Eligible Retail Shareholder - can I apply for	No, there is no shortfall facility being offered to Eligible Retail Shareholders. Your maximum Entitlement is as set out in your personalised Entitlement and Acceptance	-

² TERP is the theoretical price at which RCR shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which RCR shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to RCR's closing price on 27 July 2018.

Question	Answer	Section
New Shares in excess of my Entitlement?	Form.	
Can I trade my Entitlement?	No, your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange. Nor can it be privately transferred. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.	-
Is the Entitlement Offer subject to Shareholder approval?	No, the Entitlement Offer is not subject to Shareholder approval.	-
Why has RCR gone into voluntary suspension from trading on ASX?	<p>RCR Shares went into trading halt on 30 July 2018 and have remained in voluntary suspension since 1 August 2018.</p> <p>RCR requested that its securities be placed into trading halt and then voluntary suspension in order to manage its continuous disclosure obligations and to avoid the market trading in RCR Shares on a basis that is not reasonably informed.</p>	-
When will RCR Shares re-commence trading?	<p>Based on the contents of this Prospectus, and other announcements released to the ASX by RCR on 28 August 2018, RCR regards the circumstances giving rise to its request for voluntary suspension as being clarified sufficiently. As such, RCR has requested the reinstatement of trading in RCR securities.</p> <p>The trading suspension is expected to be lifted and normal trading in RCR Shares to resume on Thursday, 30 August 2018 following completion of the Institutional Entitlement Offer.</p>	-

2 Details of the Entitlement Offer

References to "you" in this section 2 are references to Eligible Retail Shareholders.

The Underwriter will provide to Eligible Institutional Shareholders the details of their Entitlements and how to apply under the Institutional Entitlement Offer at the commencement of the Institutional Entitlement Offer.

2.1 Entitlement Offer

This Prospectus invites Eligible Shareholders to participate in the Entitlement Offer which is a pro rata accelerated non-renounceable entitlement offer of up to approximately 100 million New Shares on the basis of 1 New Share for every 1.65 Existing Shares held at 5.00pm (Sydney time) on the Record Date at an issue price of \$1.00 per New Share, for the purpose of raising up to approximately \$100 million.

You should note that not all Shareholders will be eligible to participate in the offer of New Shares. Please see section 1 and the associated definitions in the glossary in section 12 of this Prospectus for more details.

As at the date of this Prospectus, RCR has 165,358,044 Shares on issue.

The Entitlement Offer is comprised of the following components:

- (a) **Institutional Entitlement Offer** – Eligible Institutional Shareholders will be given the opportunity to take up all or part of their Entitlement. Entitlements under the Institutional Entitlement Offer are non-renounceable.
- (b) **Institutional Shortfall Bookbuild** – Institutional Entitlements not taken up and Entitlements of Ineligible Institutional Shareholders will be sold through the Institutional Shortfall Bookbuild process run at the same time as the Institutional Entitlement Offer.
- (c) **Retail Entitlement Offer** – Eligible Retail Shareholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part. Retail Entitlements are also non-renounceable.

Any Retail Entitlements not taken up by Eligible Retail Shareholders will be allotted to the Underwriter or any sub-underwriters.

All of the New Shares offered under this Prospectus will rank equally with the Existing Shares on issue as at the date of this Prospectus. Please refer to section 11.7 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

There are no minimum or maximum amounts of New Shares which must be subscribed for under the Entitlement Offer, however you may not apply to subscribe for a number of New Shares greater than your Entitlement.

You should read this Prospectus carefully before making any decisions in relation to your Entitlement. The Entitlement Offer is underwritten. Further details on the Retail Entitlement Offer is set out in section 2.1.8 below.

2.1.6 Purpose of the Entitlement Offer and use of proceeds

RCR is seeking to raise approximately \$100 million from the Entitlement Offer. The Entitlement Offer will enable RCR to avoid risk of breaching financial covenants under its Facility Agreement following release of its FY18 Audited Financial Report.

2.1.7 Sources and uses

Sources (\$m)	Uses (\$m)		
Equity raising	100	Replace cash related to cumulative Project write-downs	57
Additional working capital facilities	25	Cash available for working capital	57
		• Support growth in 'alliance style' contract models	
		• Enhance ability to manage working capital requirements	
		Transaction costs	11
Total sources	125	Total uses	125

For further detail on the cost overruns at the Project, see section 4.3.2.

2.1.8 The Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 1 New Share for every 1.65 Existing Shares held as at the Record Date at the Offer Price of \$1.00 per New Share.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer.

The Retail Entitlement Offer opens at 9:00am on 3 September 2018 and will close at 5.00pm (Sydney time) on 19 September 2018 (the **Retail Closing Date**).

2.1.9 Please consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. You should also refer to the risk associated with investment in RCR and the New Shares which are set out in section 6 of this Prospectus.

An investment in the New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of RCR, including possible loss of income and principal invested. RCR does not guarantee any particular rate of return or the performance of RCR, nor does it guarantee the repayment of capital from RCR or any particular tax treatment.

2.1.10 Your Entitlement under the Retail Entitlement Offer

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 1.65 Existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding. New Shares issued under the Retail Entitlement Offer will be fully paid and from allotment rank equally in all respects with Existing Shares and will be entitled to dividends on the same basis as Existing Shares. The rights and liabilities attaching to the New Shares are set out in the Constitution, which can be inspected at RCR's registered office.

Please also refer to section 11.7 which contains a summary of the rights and liabilities attaching to the New Shares.

2.1.11 Allotment of New Shares under the Retail Entitlement Offer

New Shares under the Retail Entitlement Offer will be allotted on the Allotment Date (expected to be 26 September 2018). No certificates will be issued in respect of New Shares. Following allotment, Eligible Retail Shareholders who accept their Entitlement will be sent a holding statement which sets out the number of New Shares allotted to them. Applicants may contact the Share Registry after the Allotment Date on the Entitlement Offer Information Line on 1300 155 608 (within Australia) or +61 3 9415 4035 (outside Australia) between 8:30am to 5:00pm Monday to Friday to seek confirmation of their allocation.

2.1.12 Foreign shareholders

The distribution of this Prospectus and Entitlement and Acceptance Form in jurisdictions outside Australia and New Zealand may be restricted by law. If you are a Shareholder in any jurisdiction outside Australia or New Zealand and you come into possession of this Prospectus, then you should observe any such restrictions. See section 11.15 containing further information on Foreign Selling Restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer or invitation to potential investors to whom it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares or otherwise permit a public offering of the New Shares in any jurisdiction other than Australia and to existing shareholders in New Zealand. In particular, the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered, sold or resold in the United States.

Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Retail Shareholder. See section 2.1.19 for further information.

RCR reserves the right to reject any application which it believes comes from a person who is not an Eligible Retail Shareholder.

2.1.13 ASX quotation and trading of New Shares

On the date of this Prospectus RCR has applied to ASX for the New Shares to be quoted on ASX. While RCR is not aware of any reason why quotation would be denied, there is no assurance that the application will be granted. If ASX does not grant quotation of the New Shares, RCR will refund all Application Monies in accordance with the Corporations Act and without payment of interest.

The fact that ASX may grant quotation of the New Shares is not to be taken as an indication of the merits of RCR or the New Shares issued under the Entitlement Offer. Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Institutional Entitlement Offer will commence on 5 September 2018 and the New Shares allotted under the Retail Entitlement Offer will commence on 27 September 2018.

Holding statements are expected to be despatched by the Share Registry to Eligible Retail Shareholders on 28 September 2018. It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Any Applicant who sells New Shares before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. RCR, the Underwriter, their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents disclaim all liability whether in

negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statement from the Share Registry, whether on the basis of confirmation of the allocation provided by RCR, the Share Registry or the Underwriter.

2.1.14 Re-commencement of trading of RCR Shares

On the date of this Prospectus RCR has applied to ASX for the trading suspension in relation to RCR Shares to be lifted and for normal trading to resume on Thursday, 30 August 2018 following completion of the Institutional Entitlement Offer.

RCR is not aware of any reason why the trading suspension would not be lifted and why normal trading in RCR Shares will not resume.

2.1.15 CHESS and issuer sponsored holdings

New Shares will participate from the date of commencement of quotation in CHESS. New Shares must be held in uncertificated form (i.e. no share certificate will be issued) on the CHESS sub register normally under sponsorship of a participant (usually a broker) or on the issuer-sponsored sub register. Arrangements can be made at any subsequent time, through your controlling participant, to convert your holding from the issuer-sponsored sub register to the CHESS sub register or vice versa.

2.1.16 Application Monies and interest

Application Monies received from an Applicant will, until New Shares in respect of the Application Monies are issued, be held by RCR in a trust account. If you are allotted less than the number of New Shares you applied for, you will be sent a refund cheque for the relevant amount of Application Monies (without interest) not applied towards the issue of New Shares, as soon as practicable after the Allotment Date. Any balance of Application Monies that is remaining as a result of rounding will be refunded to you except where the amount is less than \$2, in which instance it will be retained by RCR or donated to charity.

RCR reserves the right to withdraw or vary all or part of the Entitlement Offer at any time, subject to Applicable Laws, in which case RCR will refund Application Monies in relation to Entitlements or New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, RCR may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, each Applicant agrees that such Application Monies shall not bear or earn interest for the Applicant, irrespective of whether or not all or any New Shares applied for by the Applicant are issued to the Applicant, and that any interest earned on Application Monies held by RCR shall be the property of RCR.

2.1.17 Reconciliation, top-up shares and the rights of RCR and the Underwriter

The Entitlement Offer is a complex process and in some instances Shareholders may believe that they will own more or fewer Shares than they ultimately did on the Record Date. This may result in a need for reconciliation.

If reconciliation is required, it is possible that RCR may need to issue a small quantity of additional New Shares (**Top-Up Shares**) to ensure that the relevant Eligible Shareholders receive their full Entitlement and appropriate allocation of New Shares. The price at which the Top-Up Shares would be issued is not known but would not be lower than the Offer Price (of \$1.00 per Share).

Any Top-Up Shares will be issued under this Prospectus and accordingly (without limiting other provisions of this Prospectus permitting variation of dates or acceptance of late applications) the offers in this Prospectus remain open for acceptance in respect of such Shares until the date of issue of any Top-Up Shares.

RCR also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Institutional Shareholders or Eligible Retail Shareholders, or persons claiming to be Eligible Institutional Shareholders or Eligible Retail Shareholders, if RCR believes in its complete discretion that their claims to Entitlements are overstated or if they or their nominees fail to provide information requested to substantiate their claims.

In that case, RCR may, in its discretion, require the relevant Shareholder to transfer oversubscribed New Shares to the Underwriter at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer Existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

Investors who sell Entitlements to which they are not entitled, or who do not hold sufficient Entitlements at the time required to deliver those Entitlements, may be required by RCR to otherwise acquire Entitlements or Shares to satisfy these obligations.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by RCR in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of RCR or the Underwriter to require any of the actions set out above.

2.1.18 Disclaimer

RCR and the Underwriter reserve the right to determine whether a Shareholder is an Eligible Retail Shareholder, or an Eligible Institutional Shareholder. Please see sections 1.1 and 1.2 of this Prospectus for details of what constitutes an Eligible Retail Shareholder or an Eligible Institutional Shareholder. Please also refer to section 11.8 of this Prospectus which sets out the representations and warranties which accepting retail Shareholders will be deemed to have given (confirming that they are an Eligible Retail Shareholder) by completing and returning their personalised Entitlement and Acceptance Form or making a payment by BPAY®.

RCR, the Underwriter, their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents disclaim all liability (to the maximum extent permitted by law) in respect of the determination as to whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder and also disclaim all liability (to the maximum extent permitted by law) in respect of the determination as to whether or not a person is an Institutional Investor or an Eligible Institutional Shareholder.

2.1.19 Notice to nominees and custodians

If RCR believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not sell or transfer Entitlements in respect of or purport to accept the Retail Entitlement Offer in respect of, Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and Ineligible Institutional Shareholders.

Persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States or any person who is acting for the account or benefit of a person in the United States (to the extent such person holds ordinary shares in RCR and is acting for the account or benefit of a person in the United States) or other jurisdiction outside Australia or New Zealand except to beneficial shareholders who are institutional or professional investors in the countries (other than the United States) listed in, and to the extent permitted under, section 11.15 (Foreign Selling Restrictions).

RCR is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of Existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary, including following acquisition of Entitlements on ASX or otherwise, complies with applicable foreign laws. RCR is not able to advise on foreign laws.

3 Actions required by Eligible Retail Shareholders

3.1 Options available to you

If you are an Eligible Retail Shareholder, you may take either of the following actions:

- (a) take up all or part of your Entitlement (see section 3.2); or
- (b) do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements (see section 3.3).

The Retail Entitlement Offer is an offer to Eligible Retail Shareholders only (as defined in section 12).

3.2 If you wish to take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, please either:

- (a) complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies; or
- (b) pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

in each case, so that payment is received by no later than 5:00pm (Sydney time) on the Retail Closing Date.

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on 26 September 2018. RCR's decision on the number of New Shares to be issued to you will be final.

RCR also reserves the right (in its absolute discretion) to reduce the number of New Shares issued if RCR believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to RCR's satisfaction (see section 2.1.17).

3.3 If you wish to do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements

If you take no action you will not be allocated New Shares and your Entitlement will lapse.

Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

Eligible Retail Shareholders who do not participate fully in the Retail Entitlement Offer will have their percentage holding in RCR reduced.

3.4 Ineligible Retail Shareholders

Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer. If you receive this Prospectus and a personalised Entitlement and Acceptance Form but you are an Ineligible Retail Shareholder, please disregard.

3.5 Payment

You can pay in the following ways:

- (a) by BPAY®; or
- (b) by cheque or bank draft.

Cash payments will not be accepted. Receipts for payment will not be issued.

RCR will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

3.5.1 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in section 11.8; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

Should you choose to pay with BPAY®, it is your responsibility to ensure that your BPAY® payment is received by the RCR Share Registry by no later than 5:00pm (Sydney time) on the Retail Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

RCR takes no responsibility for any failure to receive Application Monies or payment by BPAY® before the Retail Entitlement Offer closes arising as a result of, amongst other things, delays in postage or processing of payments by financial institutions.

3.5.2 Payment by cheque or bank draft

For payment by cheque or bank draft, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque or bank draft in Australian currency for the amount of the Application Monies, payable to "RCR Entitlement Offer" and crossed "Not Negotiable".

Your cheque or bank draft must be:

- (a) for an amount equal to the Offer Price multiplied by the number of New Shares that you are applying for; and
- (b) in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident Shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Should you choose to pay by cheque or bank draft, it is your responsibility to ensure that your payment is received by the Share Registry by no later than 5:00pm (Sydney time) on the Retail Closing Date. Cash payments will not be accepted. Receipts for payment will not be issued.

3.6 **Mail**

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5:00pm (Sydney time) on 19 September 2018.

If you make payment via cheque, or bank draft, you should mail your completed personalised Entitlement and Acceptance Form together with Application Monies to:

RCR Entitlement Offer
Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at RCR's registered or corporate offices, or other offices of the RCR Share Registry.

3.7 **Returning the form or making a BPAY payment**

By returning your Entitlement and Acceptance Forms or making a payment by BPAY®, you will be deemed to have given certain representations and warranties to RCR. Please see section 11.8 for further information.

3.8 **Enquiries**

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the RCR Entitlement Offer Information Line on 1300 155 608 (within Australia) or +61 3 9415 4035 (outside Australia). The RCR Entitlement Offer Information Line will be open from 8:30am to 5:00pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

4 Overview of RCR

4.1 Introduction

RCR is a diversified Australian engineering and infrastructure company working with some of the world's leading organisations to provide engineering, construction and maintenance solutions in the infrastructure, energy and resources sectors.

RCR's priorities are the successful delivery of innovative and cost effective solutions that meet its clients' needs.

Delivered through its three business streams, **Infrastructure | Energy | Resources**, RCR employs approximately 3,400 people supporting major projects across its extensive network of operations in Australia, New Zealand and South East Asia. The business' operations are primarily concentrated in Australia and New Zealand.

RCR's core capabilities encompass; engineering, procurement, construction, commissioning and operation and maintenance of major infrastructure, energy and resource projects.

RCR performs services for its clients, from the commencement of a project through to commissioning, handover, operation and maintenance. This ensures both RCR and its clients are working together, towards a common goal.

RCR is a company built on a commitment to safety, whilst developing productive, sustainable, and mutually beneficial partnerships with its clients and the wider community.

RCR's origins date back to 1898 - the year Ernest Tomlinson and his brother, Edward, established the engineering firm Tomlinson Bros.

RCR Tomlinson Ltd was established as a result of the merger of RCR Engineering Ltd and Centurion Industries Ltd in December 1998, which included the original Tomlinson Bros business.

4.2 Business segments

4.2.3 Infrastructure

RCR's Infrastructure business operates through its key brands of RCR O'Donnell Griffin, Haden and Resolve FM, and provides engineering services throughout Australia, New Zealand and South East Asia.

The businesses core capabilities encompass; design and construction of rail and transport (turnkey systems project integration and delivery specialists); renewable energy systems (solar, wind and battery storage); power generation, transmission and distribution systems and generator maintenance; high voltage cabling; electrical and instrumentation services; switchboards and process control instrumentation; fire and data communications systems; engineering, installation and maintenance of mechanical systems and HVAC; facilities maintenance and management services; and water treatment systems and technologies.

4.2.4 Energy

RCR's Energy business provides services in power generation and energy plants. Utilising a range of conventional and renewable fuels, the business delivers power stations including waste to energy, pumped hydro and steam generation plants through turnkey EPC projects across a diverse range of industries, including infrastructure, oil & gas and mining.

The business also provides shut down, planned maintenance and plant refurbishment services to major utility power stations as well as process industries and oil & gas producers. Additional capabilities include the provision of high-precision laser cutting technologies and boiler servicing. These services are supported by a network of service centres and facilities across Australia, New Zealand and South East Asia.

4.2.5 Resources

RCR's Resources business is a leading provider of engineering, construction, commissioning, maintenance and shutdown services (above and below ground) to the mining and resources sector.

RCR's integrated EPC model allows us to deliver full lifecycle services supported by in-house construction expertise with structural mechanical and piping, electrical and instrumentation, fabrication, commissioning and asset maintenance capabilities.

The business also provides turnkey material handling solutions from design and manufacture, to specialist shutdown, heat treatment services and off-site repairs and maintenance of heavy engineering equipment. The business also offers a range of specialised surface mining and bulk materials handing technologies includes apron and belt feeders, conveyors, bucket wheel excavators, stackers, reclaimers, spreaders, sizers, scrubbers, screens, mobile In-Pit Crushing and Conveying and other continuous mobile mining solutions and car dumpers.

4.3 Overview of Cost Overruns on the Project

4.3.1 Project background

In August 2017, RCR was appointed as contractor for the EPC and O&M of the Project, with a contract value on award of \$315 million.

The Project comprises two contracts managed as a single project for the EPC and O&M of the 150MWac Daydream and the 50MWac Hayman Solar Farms located in Northern Queensland.

The Project is RCR's largest solar project to date and comprises two solar farms covering 590 hectares and 8,600 tracker rows, 110,000 piles have been driven on the Project, 2.2 million modules installed and 1,900kms of cabling installed to date.

The scope of work for the Project includes engineering, procurement, construction and commissioning of the solar farms, including interface works to the substations. Once commissioned, RCR will provide O&M services for both solar farms for an initial period of ten years, with an option for a further five year term.

The Project is now substantially complete and energisation and commissioning has commenced.

4.3.2 Cost Overruns on the Project

The Project has experienced significant cost overruns due to several compounding project-specific issues, including:

- (a) External delays which resulted in extension of time (EOT) submissions;
- (b) Materially worse sub-surface ground conditions, which were not allowed for in the tender estimate, which caused an underestimation of site piling requirements; and

- (c) Continuous re-planning of construction due to the interdependence with piling, which was compounded by adverse weather conditions at the Project site, increasing subcontractor costs (both people and plant) and logistics costs.

These issues required RCR to continuously revise its execution methodologies to mitigate delays.

As a result of these cost overruns that arose, RCR has realised cumulative write-downs of \$57 million from the tendered margin on the Project.

A large proportion of the write-downs on the Project were only recently identified. This was due to the on-site procedures adopted by a limited number of site personnel, which had the effect of circumventing RCR's standard processes and project level systems relating to procurement commitments.

Outside the cost overruns experienced on the Project, RCR continues to operate across a large number of projects which, typical of a contracting business, experience some variance to tendered margins.

4.3.3 Internal investigation on the Project

Following the discovery of the costs overruns on the Project, RCR conducted a comprehensive internal investigation, with the following objectives:

- (a) identify the circumstances that led to the recent cost overruns at the Project;
- (b) identify the reasons for the failure to identify those costs in a timely manner;
- (c) ensure that the full extent of committed costs on the Project are accounted for in either cost-to-date or forecast cost-to-complete; and
- (d) determine whether similar procurement control issues have occurred on any of RCR's other current projects.

The investigation team undertook the following activities in order to address the objectives above:

- (a) analysis of Project and financial data to reconcile all Project purchase orders and supplier invoices to ensure all commitments and costs have been captured in the cost-to-complete;
- (b) analysis of the processes used on the Project for procurement as compared to the standard RCR processes;
- (c) data analysis and exception reporting from the ERP system;
- (d) project personnel interviews;
- (e) supplier statement confirmations;
- (f) written statements from all project managers confirming (amongst other things) that they are managing commitments in compliance with RCR's policies and procedures; and
- (g) site visits to certain solar project sites to confirm the veracity of the information specified in the project manager confirmations.

The key findings of this investigation are as follows:

- For personal use only**
- (a) on-site procedures adopted by a limited number of site personnel at the Project had the effect of circumventing RCR's standard processes and project level systems relating to procurement commitments;
 - (b) the nature of the conduct with respect to procurement commitments made it extremely difficult for RCR to accurately determine cost-to-date and forecast cost-to-complete on a timely basis;
 - (c) the procurement control issues at the site occurred during the recent peak execution months of the Project;
 - (d) there were challenges in maintaining appropriate project management oversight at the Project;
 - (e) site management at the Project were focused on delivering project milestones under time pressure, and did not give adequate focus to cost management and oversight of site practices with respect to procurement commitments;
 - (f) no indication of fraud or collusion on the part of site personnel or management has been detected; and
 - (g) the procurement control issues identified at the Project are not systemic within RCR.

Whilst the procurement control issues prevented the timely recognition of expenses in RCR's systems, the work done was essential to complete the Project.

4.3.4 Response to Project Issues Identified

The following actions and additional measures are being implemented to address the issues identified at the Project and mitigate the risk of similar issues occurring in the future:

- (a) Changes to mitigate risk at the Project to completion
 - i. RCR has strengthened the Project's project management team and structure, with immediate effect, as follows:
 - A. RCR's Renewables Operations Manager has taken over as Project Director;
 - B. Additional project controls and commercial staff mobilised to site;
 - C. Appropriate personnel changes have been made on the Project; and
 - D. RCR's procurement controls have been reinforced, and are now being followed on the Project.
 - ii. RCR has reassessed the remaining scope and sub-contracting models to mitigate any residual risk and ensure that all outstanding costs are reflected in the costs to complete.
- (b) Changes to mitigate risk of cost overruns
 - i. A Board Tender Committee has been established to perform a detailed review of management's recommendation on large and complex tenders before they are submitted;

- 
- ii. On more recent projects, RCR has undertaken a more comprehensive pre-contract assessment, in particular in relation to sub-surface conditions to reduce risks which occurred at the Project;
 - iii. Regular audit of cost control structures and additional training where required;
 - iv. Standardisation of engineering, design and construction methodologies, and commissioning practices are being implemented.
- (c) Changes to ensure RCR's processes and systems are followed consistently
- i. A Project Controls Group, reporting to the Interim CEO, has been established to review project set-up, processes, contract management, schedule and costs;
 - ii. Interim manual controls have been implemented to the procurement system to prevent circumvention of the procurement commitment systems; and
 - iii. Enhanced monthly project reporting for all projects, with a more detailed sign-off from project managers covering all key performance criteria.

4.3.5 Impacts of the Cost Overruns on the Project

Cost overruns at the Project have had a material impact on RCR, its financial performance and its financial position.

The summary below provides an overview of the key financial and operational impacts of the cost overruns at the Project.

4.3.6 Impact of FY18 Results and Auditors Report

RCR has reported an Underlying EBIT loss of \$4.2 million, including cumulative write-downs of \$57 million on the Project, and a statutory net loss after tax of \$16.1 million, for the year ended 30 June 2018.

As part of the group audit for FY18, and in response to the issues identified at the Project, additional procedures were conducted by the Independent Auditor in relation to the Project and RCR's cost management systems and procedures. The Independent Auditor's responses to these issues are set out as key audit matters in the audit report.

The Independent Auditor has issued an unqualified audit opinion in relation to RCR's FY18 Audited Financial Report. The audit opinion includes an emphasis of matter because RCR recorded a loss of \$16.1 million for the year and other matters as set out in section 1.3 ('Basis of Preparation') to RCR's FY18 Audited Financial Report around the Project and ongoing financing. The audit opinion is modified, but not qualified, in respect of this matter, which would be resolved by completion of the Entitlement Offer.

The Independent Auditor's Report accompanying RCR's FY18 Audited Financial Report which was released by RCR to ASX on 28 August 2018.

4.3.7 Additional Support from Financiers and Debt Facility Agreements

At 30 June 2018, RCR held Net Cash of \$54.8 million, before post balance date expected outflows of \$35 million relating to the Project and \$30 million relating to cash received from customers for equipment in FY18, which will be paid to suppliers in FY19.

To support RCR's ongoing working capital requirements, RCR's financiers have agreed to make an additional \$25 million available under RCR's working capital facilities,³ which can be drawn for working capital purposes, with a corresponding reduction in the bank guarantee facility of \$25 million.

RCR believes it was in compliance with all financial covenants under the Facility Agreement as at 30 June 2018. To avoid uncertainty around any potential breaches of covenants post release of the FY18 Audited Financial Report, RCR's banking syndicate extended relief, confirming an add-back to EBITDA of up to \$50 million for the purpose of calculating financial ratios for each calculation period up to and including 30 June 2019.⁴

This relief is subject to the execution of the Underwriting Agreement before 15 September 2018 and the Support Period not ending before receipt of at least \$50 million of proceeds from the Entitlement Offer. The Underwriting Agreement was signed on 28 August 2018, and the Support Period may only be terminated by the agent in certain circumstances (please refer to section 11.6).

On request of its financiers, RCR has undertaken to commission an external review of the Project by an independent accounting firm.

4.3.8 Operational Impact

Based on the internal investigation conducted by RCR, RCR confirms that the procurement control issues identified at the Project are not systemic within RCR. The Project is expected to complete in line with current cost estimates.

While RCR continues to have strong relationships with its customers, some recent delays have been experienced in the award of contracts due to RCR's voluntary suspension from trading on ASX (see section 4.4 below).

4.4 RCR's Strategy

4.4.1 Strategic Objectives

RCR's strategy is to provide engineering, construction and maintenance solutions in infrastructure, energy and resources markets in Australia, New Zealand and South East Asia.

RCR is ideally positioned in a range of growing markets, including the rail and transport, energy, water, renewables, resources and property services sectors.

In the last 12 months, RCR's revenue has been largely derived from fixed price EPC contracts, which expose RCR to potential risks including project delays, unanticipated increases in the cost of delivering the project and high working capital requirements in the later stages of the project. Cash receipts on these contracts are dependent on certain milestones being met, which may cause timing differences from a cash collection point of view.

³ An additional \$22 million is available for working capital, increasing to \$25 million on receipt of at least \$50 million of proceeds from the Entitlement Offer.

⁴ RCR can add back the lesser of \$50 million and the amount of the Project costs that is deducted from the consolidated net profit for the period ending on the relevant calculation date. This is without prejudice to any other adjustments to consolidated net profit permitted under the facilities.

RCR also continues to invest in broadening its engineering led offerings, developing partnerships with technology leaders, and maintaining a continuous focus on creating *Engineering Intelligence™* solutions that will enhance customer value.

4.4.2 Near-Term Strategic Objectives

RCR's primary focus in the near-term will be on the following strategic objectives:

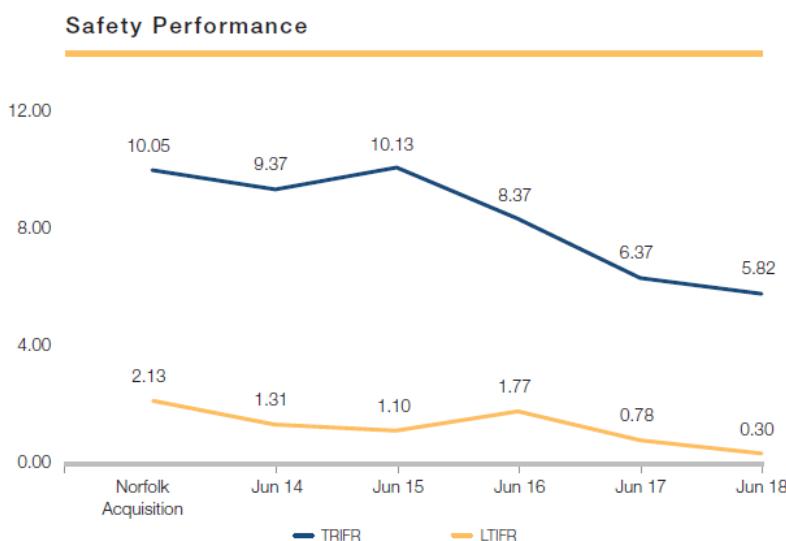
- (a) Consolidating existing operations, successfully completing current projects and carefully assessing near-term opportunities with a focus on contracting with well-known counterparties and projects with a more acceptable risk profile;
- (b) Increasing exposure to the rail and transport sectors. RCR is currently tendering for several major rail and tunnel projects across Australia and New Zealand, and is well placed to benefit from the significant opportunities in these sectors;
- (c) Selectively pursuing opportunities in the renewables sector. The strong pipeline of solar opportunities and RCR's market position in this sector means RCR is well placed to be more selective about counterparties, project size, project risk profile and project margin; and
- (d) Shifting the project portfolio towards 'alliance style' contracting models, which involve higher working capital requirements, but offer a more favourable risk allocation to RCR as the contractor and therefore should provide a higher degree of margin predictability.

4.4.3 Safety Objectives

RCR seeks to continually improve its safety performance to achieve its goal of an injury free workplace. RCR's 'R U safe' program is fundamental to RCR's future success, which aims to support employees and clients across all of RCR's activities.

Through the commitment of our employees, RCR has again seen its lost time injury frequency rate (**LTIFR**) improve over the past year by 62% to 0.30 per million man hours.

Chart 1: RCR's Group Safety Performance

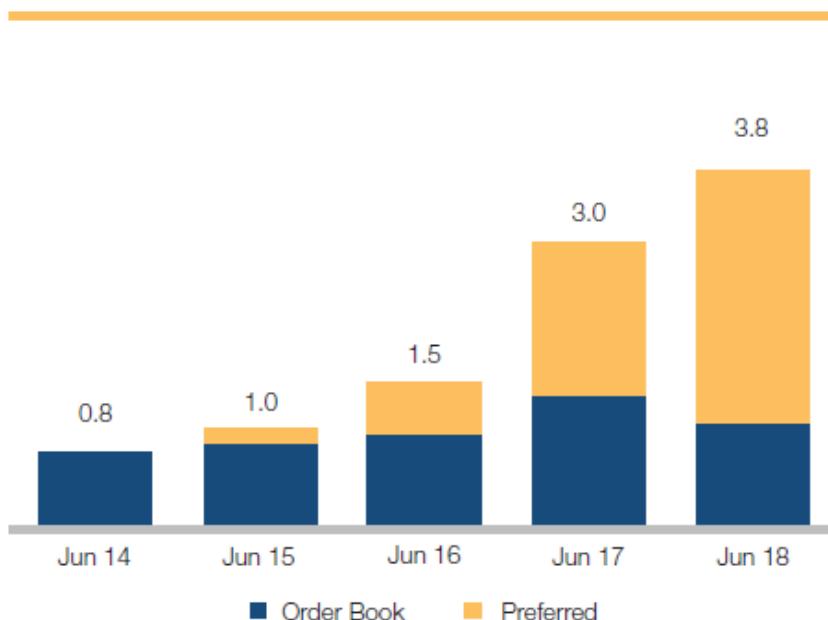


4.4.4 Order Book and Preferred Contractor Status

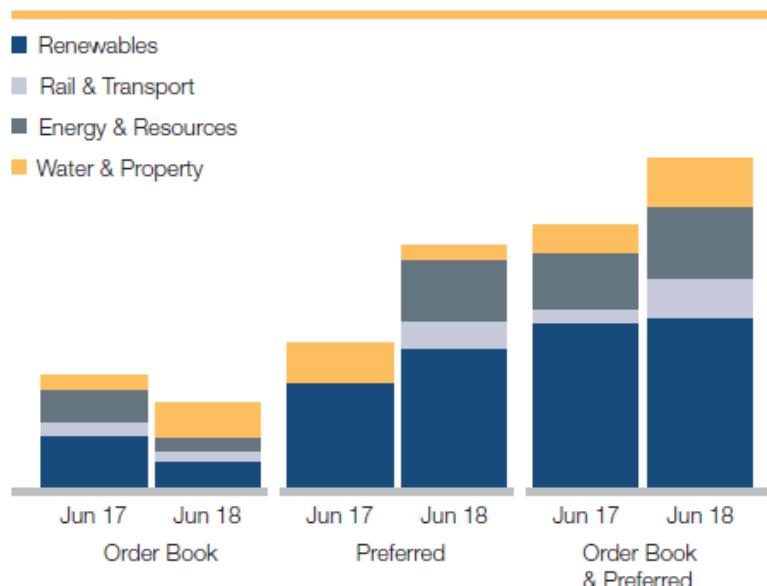
As at the date of this Prospectus, RCR's Order Book is \$1.1 billion and has Preferred Contractor Status on contracts worth \$2.7 billion. While RCR's Order Book remains strong, RCR has experienced some short term delays in award of projects from Preferred Contractor Status.

Chart 2: RCR Order Book and Preferred Contractor Status (\$billion)

Order Book & preferred - \$B



Order Book & preferred by sector - \$B



4.4.5 ‘Alliance style’ contracting models

An important element of RCR’s near-term strategy is to focus on projects that use ‘alliance style’ contracting models, which typically provide a higher degree of margin predictability, but have high working capital requirements. ‘Alliance style’ contracts comprise three main types of contract structure, including:

- (a) Target cost estimate (**TCE**): TCE contracts are based on a cost reimbursable mechanism in which the contractor is reimbursed their actual costs plus margin subject to the application, of a pain/gain share mechanism at the end of the project that penalises or rewards the contractor depending on the dollar difference between the final total costs and the target costs;
- (b) Cost plus: also termed a ‘cost reimbursement’ contract, is a contract where the contractor is paid for all of its allowed costs, plus a pre-agreed margin; and
- (c) Alliance: is a form of contract where the customer and contractor work openly and collaboratively to execute the contract (whether that be EPC, shutdown, outage or facilities management) and agree to share opportunities and risks.

RCR’s success in winning new solar projects underpinned a substantial increase in revenue through FY17 and FY18. Generally, solar projects are structured as fixed price EPC contracts, which expose RCR to potential risks including project delays, unanticipated increases in the cost of delivering the project and high working capital requirements in the later stages of the project. Fixed price EPC contracts generally include advance payments received from customers for the purchase of equipment, which reduces the amount of up-front working capital required. However, there is risk of significantly higher working capital requirements throughout the project due to the nature of cash receipts being linked to milestones in the project. For example, cash receipts are generally dependent on key milestones being met, the achievement of which can be difficult to predict.

On the other hand, ‘alliance style’ contracts do not generally involve advance payments and are therefore more working capital intensive from the outset. However, the contractor is reimbursed their actual costs (subject to agreed risk sharing mechanisms), so margin and cash flows are typically more predictable.

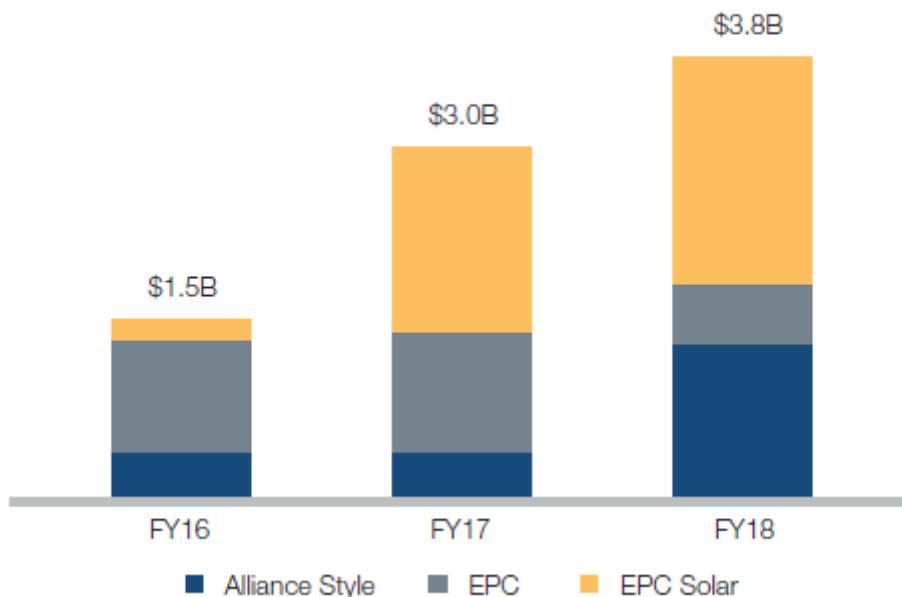
RCR has observed a trend towards ‘alliance style’ contracting structures across a range of sectors, including zinc and lithium, rail and transport (both in Australia and in New Zealand), facilities management and copper and gold. This trend is believed to be driven by:

- (a) increasing demand for contracting services from clients across the transport, rail and resources sectors; and
- (b) more favourable market dynamics for contractors, particularly those with specialist design, engineering and construction expertise.

This trend is expected to result in an increasing proportion of RCR’s revenue being attributable to ‘alliance style contracts’ relative to previous years.

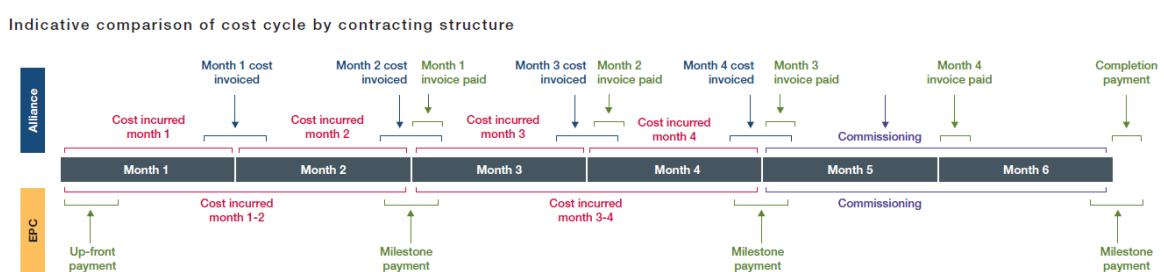
Chart 3: RCR's Historical Contract Mix over the Past Three Years (Order Book & preferred) (\$bn)

Alliance style contracts (Order book & preferred)



The diagram below illustrates the typical cost cycle under 'alliance style' and fixed price EPC contracting models.

Diagram 1: Indicative comparison of cost cycle by contracting structure



4.5 RCR share capital

4.5.1 Issued share capital

Current issued Share capital	Share capital post- Entitlement Offer
165,358,044	265,575,041

4.5.2 Substantial Shareholders in RCR

Entity	Shareholding	Share held
Perpetual Limited and its related bodies corporate	14,547,632	8.80%
Pendal Group Limited	13,219,684	7.99%
Tribeca Investment Partners Pty Ltd	8,362,157	5.06%
Dimensional Entities	8,275,617	5.00%

4.6 Board of Directors

The Board's role is to govern rather than manage the organisation and it does this by providing leadership for and supervision of RCR's Executive Management. Further information on the role and responsibilities of the Board are set out in the RCR Board Charter (a copy of which can be obtained at https://www.rctom.com.au/media/1068/board-charter_rev-6_signed.pdf).

The Directors of RCR bring to the Board relevant experience and skills, including sector and business knowledge, financial management and corporate governance experience. Profiles of each member of the Board are set out below.

Name/Role	Description	Committee Membership
Roderick Brown <i>Chairman and Independent Non-Executive Director</i>	Mr Roderick Brown joined as a Non-Executive Director of RCR in 18 October 2005. He became Chairman in January 2008. Mr Brown is an engineer by profession and has extensive experience in marketing and general management. He has over 20 years' experience as a Company Director. During his career, Mr Brown has worked in Australia, the USA and Europe with companies involved in the engineering, mining, and industrial service sectors. He has held various senior management positions	Member of the Remuneration & Nomination Committee and Member of the Audit & Risk Committee

Name/Role	Description	Committee Membership
	including as Managing Director with global responsibility.	
Bruce James <i>Interim Chief Executive Officer and Executive Director</i>	<p>Mr Bruce James joined as a Non-Executive Director of RCR in 28 January 2014.</p> <p>Mr James was subsequently appointed as Interim CEO and Executive Director on 6 August 2018.</p> <p>Mr James is an engineer with experience in infrastructure, resources, oil & gas, defence and energy operations in Australia and New Zealand.</p> <p>During a 35 year career at Transfield Construction Pty Ltd and Transfield Services Limited, Mr James held a number of Executive Management roles including CEO of Transfield Services, Australia and New Zealand and Chief Executive Resources and Energy.</p>	Nil
Eva Skira <i>Independent Non-Executive Director</i>	<p>Ms Eva Skira became a Non-Executive Director of RCR in 26 May 2008.</p> <p>Ms Skira has a background in banking, capital markets, stock broking and financial markets, previously holding Executive positions at Commonwealth Bank in the Corporate Banking/Capital Markets divisions, and later with stockbroker Barclays de Zoete Wedd.</p> <p>Ms Skira has served on a number of Boards across a range of industries. Ms Skira is currently a Non-Executive Director of Macmahon Holdings Limited and Western Power.</p> <p>After 10 years on the Board of RCR, Eva Skira has informed the Board that she will be retiring as a Director in the lead up to the 2018 annual general meeting.</p>	Chair of the Remuneration & Nomination Committee
Lloyd Jones <i>Independent Non-Executive Director</i>	<p>Mr Lloyd Jones joined RCR as a Non-Executive Director in 20 November 2013.</p> <p>Mr Jones is an engineer with significant experience in mining, energy, construction, heavy industrial operations, finance and mergers and acquisitions.</p> <p>During his 25 year career at Alcoa, Mr Jones held CEO and senior management roles in Australia, USA, Japan and China. Most recently, he served as President of Cerberus Capital Management's Asia Advisory Unit based in Hong Kong and as Deputy Chairman of Doric Group. Mr Jones is presently a Non-Executive Director of BlueScope Steel Limited.</p> <p>Mr Jones is also a member of the advisory committee to the Dean of Engineering and Mathematical Sciences at University of Western Australia.</p>	Member of the Remuneration & Nomination Committee
Sue Palmer <i>Independent Non-</i>	<p>Ms Sue Palmer joined RCR as a Non-Executive Director in 21 August 2014.</p> <p>Ms Palmer is a Chartered Accountant by profession and has held senior financial and commercial roles</p>	Chair of the Audit & Risk Committee

Name/Role	Description	Committee Membership
Executive Director	across a range of industry sectors - construction, mining, infrastructure, energy and agriculture with her last executive role being as CFO of Thiess. With more than 15 years' experience as a company director, Ms Palmer is currently a Non-Executive Director of New Hope Corporation Ltd, Qube Holdings Ltd, Charter Hall Retail REIT, and a Board member of Brisbane Grammar School.	
David Robinson <i>Independent Non-Executive Director</i>	Mr David Robinson joined RCR as a Non-Executive Director on 1 March 2018. Mr Robinson is a professional engineer with over 40 years of experience across the heavy civil and construction, petrochemical, oil & gas, mechanical, underground, marine and commercial building sectors. During a 37 year career at McConnell Dowell, Mr Robinson held a number of Management and Executive roles, including 15 years as Managing Director and CEO, until his retirement in 2015. Mr Robinson had also previously served on the boards of Aveng Limited, Infrastructure Partnerships Australia and Australian Constructors' Association Limited.	Member of the Audit & Risk Committee

4.7 Executive Management Team

RCR's key executives are as follows:

Name/Role	Description
Bruce James <i>Interim Chief Executive Officer and Executive Director</i>	Bruce James was appointed to the role of Interim CEO on 6 August 2018. Prior to this Mr James was an Independent Non-Executive Director since 28 January 2014. See profile in section 4.6 above.
Andrew Phipps <i>Chief Financial Officer</i>	Mr Phipps joined RCR in 2013 as EGM Finance Infrastructure, and was promoted to CFO later in November of the same year. Mr Phipps has over 20 years' experience in large contracting and engineering companies with complex Infrastructure, Resources and Energy portfolios. Mr Phipps has a strong financial and operational background and has been CFO of RCR for four years. Prior to RCR, recent roles have included Executive General Manager Finance at UGL's Engineering business and Executive General Manager Finance with UGL's Infrastructure and Rail business Mr Phipps is a Certified Public Accountant (CPA) and is a Member of the Australian Institute of Company Directors.

Name/Role	Description
Conal McCullough <i>Chief Operating Officer</i>	<p>Mr McCullough joined RCR in 2014 and was appointed COO – East in 2017 and COO in May 2018.</p> <p>Mr McCullough is a professional engineer with a progressive international career spanning over 15 years in the energy, infrastructure and resources sectors. He has a strong background in end-to-end multi-project management and has held numerous positions in operational, development and corporate areas with Leightons Contractors, AE&E and M.W.Kellogg (UK).</p> <p>Mr McCullough has a degree in Mechanical and Electrical Engineering from Auckland University and Institute of Technology.</p>

5 Financial information

RCR released its FY18 Audited Financial Report on 28 August 2018. The financial statements of RCR for FY16, FY17 and FY18 can be accessed on the ASX website at www.asx.com.au by searching against RCR's ASX ticker code of "RCR". Eligible Shareholders who are considering applying for all or part of their Entitlement should review those results in conjunction with this Prospectus.

This section 5 contains a summary of the following financial information of RCR as defined below:

- (a) the statutory historical financial information for RCR comprising:
 - i. the statutory consolidated statement of profit or loss for FY18; and
 - ii. the statutory consolidated balance sheet as at 30 June 2018,

together the "**Statutory Historical Financial Information**".

The Statutory Historical Financial Information has been extracted from the FY18 Audited Financial Report which was audited by the Independent Auditor in accordance with Australian Auditing Standards. Whilst the Independent Auditor issued an unqualified audit opinion, the Independent Auditor noted that there was a material uncertainty that may cast significant doubt on the RCR Group's ability to continue as a going concern because RCR recorded a loss of \$16.1 million for the year together with the other matters set out in section 1.3 ('Basis for Preparation') to the FY18 Audited Financial Report around the Project and ongoing financing. The audit opinion is modified, but not qualified, in respect of this matter, and would be resolved by the completion of the Entitlement Offer.

- (b) The pro forma historical financial information for RCR comprising:
 - i. the pro forma consolidated statement of profit or loss for FY18; and
 - ii. the pro forma consolidated balance sheet as at 30 June 2018,

together the "**Pro forma Historical Financial Information**".

The Statutory Historical Financial Information and the Pro forma Historical Financial Information together form the "**Historical Financial Information**".

The Pro forma Historical Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagement Involving Fundraising and/or Prospective Financial Information* by the Investigating Accountant whose Investigating Accountant's Report is contained in Section 8. Shareholders should note the scope and limitations of that report.

5.2 Basis of Preparation

The Historical Financial Information included in this Prospectus is intended to present potential investors with financial information to assist them in understanding the underlying historical financial performance and financial position of RCR. RCR is responsible for the preparation and presentation of the Historical Financial Information.

This Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards (**AAS**), issued by the Australian Accounting Standards Board (**AASB**), which are consistent with IFRS

and interpretations issued by the International Accounting Standards Board (**IASB**) and RCR's accounting policies.

The Historical Financial Information is presented in an abbreviated form and does not include all the presentation and disclosures, statements or comparative information required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Historical Financial Information also includes non-IFRS financial measures that RCR uses to manage and report on its business that are not in accordance with AAS or IFRS.

RCR's significant accounting policies are included in the statutory FY18 Audited Financial Report for the year ended 30 June 2018, which are included by reference in this Prospectus.

5.3 Changes in Australian Accounting Standards

There have been a number of recent changes in accounting standards which will have an impact on RCR. New accounting standard AASB 15 *Revenue from Contracts with Customers* (**AASB 15**) replaces existing guidance, including AASB 18 *Revenue* and AASB 111 *Construction Contracts*. AASB 15 will apply to RCR's financial statements from 1 July 2018 and has been incorporated into the Pro forma Historical Financial Information in order to enable investors to understand the impact the changes in accounting standards may have on the future financial performance and position of RCR. Provided claims and variations accounted for as contract revenue are ultimately recovered, profitability on contracts under either standard is unchanged. The key difference is the year in which those claims and variations are recognised in the income statement.

RCR's preliminary assessment of the expected impact of the relevant new accounting standards is described in Section 6.1 of RCR's FY18 Audited Financial Report.

The primary impacts to the income statement and balance sheet of RCR are:

- (a) *Timing of revenue recognition*: Contracted revenue will continue to be recognised over time, however the new standard provides new requirements for variable consideration such as incentives, as well as accounting for claims and variations as contract modifications which all require a higher threshold of probability for recognition in the income statement. Revenue is currently recognised when it is probable that work performed will result in revenue whereas under the new standard, revenue is recognised when it is highly probable that a significant reversal of revenue will not occur.
- (b) *Tender and contract costs*: Under the existing accounting standards, costs incurred during the tender process were capitalised within net contract debtors when it is deemed probable the contract will be won. Under the new standard tender costs can only be capitalised if they are both expected to be recovered and either would not have been incurred if the contract had not been won or if they are intrinsic to the delivery of a project.

5.4 Preparation of Pro forma Historical Financial Information

The Pro forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. It has been derived from the Statutory Historical Financial Information to illustrate the net income after tax and the assets and liabilities of RCR adjusted for certain transactions as described below.

The Pro forma adjustments are described in sections 5.5 and 5.7 and have been made to reflect:

- (a) the adoption of AASB 15 *Revenue from Contracts with Customers* as if it had been applied with effect from 1 July 2017 (see sections 5.5 and 5.7); and
- (b) the impact of the Entitlement Offer as if it had taken place on 30 June 2018 (see section 5.7).

5.5 Consolidated Historical Statements of Profit or Loss

Profit and Loss \$'000	Statutory Historical FY18	Impact of the adoption of AASB 15 (Note 1)	Pro forma Historical FY18
Sales Revenue	1,998,455	71,134	2,069,589
Cost of Sales	(1,971,771)	(86,479)	(2,058,250)
Gross Profit	26,684	(15,345)	11,339
Operating Expenses	(39,123)	(4,405)	(43,528)
 (Loss)/Earnings before Interest and Taxation	 (12,439)	 (19,750)	 (32,189)
Net Interest	(2,742)	-	(2,742)
Income Tax	6,420	5,925	12,345
Loss for the Year from Discontinued Operations	(7,304)	-	(7,304)
Net Loss after Tax	(16,065)	(13,825)	(29,890)

Note 1: The pro forma adjustments reflect the application of the adoption of AASB 15 as if it had been applied from 1 July 2017, as outlined in section 5.3. There is a net decrease in gross profit as a result of the application of the new standard. This is attributable to a net increase in revenue and gross profit arising from the deferral of revenue recognised on long term construction contracts from FY17 into FY18 and from FY18 into FY19; offset by a reduction in revenue and gross margin in relation to the value of claims recognised in FY18.

5.6 Commentary on financial performance in FY18

RCR disclosed an Underlying EBIT loss of \$4.2 million in the FY18 Audited Financial Statement after adding back one-off restructuring, claim and capitalised-tender costs totalling \$8.2 million to the Statutory Historical EBIT loss of \$12.4 million.

The Underlying EBIT loss of \$4.2 million included the impact of a material write-down on the Project, which is described in section 4.3.2 of this Prospectus. The impact of the Project on FY18 Underlying EBIT has been estimated at \$57.0 million, being the variance between the actual loss recorded and the tendered margin for the Project.

5.7 Consolidated Historical Balance Sheet

<u>Balance Sheet \$'000</u>	<u>Statutory Historical FY18</u>	<u>Entitlement Offer (Note 1)</u>	<u>Impact of the adoption of AASB 15 (Note 2)</u>	<u>Pro forma Historical FY18</u>
Cash & Cash Equivalents (Note 3)	89,894	89,000	-	178,894
Receivables	130,238	-	-	130,238
Amounts Due From Customers Under Construction Contracts	373,389	-	(194,124)	179,265
Other current assets	32,522	-	-	32,522
PPE, Goodwill and Intangible assets	276,137	-	-	276,137
Deferred Tax Assets	59,985	3,300	27,672	90,957
TOTAL ASSETS	962,165	92,300	(166,452)	888,013
Current liabilities	540,037	-	(101,882)	438,155
Borrowings	35,099	-	-	35,099
Current Tax Liabilities	1,585	-	-	1,585
Non-current liabilities	4,529	-	-	4,529
TOTAL LIABILITIES	581,250	-	(101,882)	479,368
NET ASSETS	380,915	92,300	(64,570)	408,645
Issued Capital	225,218	92,300	-	317,5188
Reserves	(1,631)	-	-	(1,631)
Retained Earnings	157,328	-	(64,570)	92,758
TOTAL EQUITY	380,915	92,300	(64,570)	408,645

Note 1: The Pro forma adjustment relating to the Entitlement Offer reflects the anticipated funds raised of \$100 million net of transaction costs totalling \$11 million. All offer costs have been deducted from equity. A deferred tax asset of \$3.3 million has also been recognised against equity in relation to the anticipated transaction costs.

Note 2: The pro forma adjustment reflects the application of the adoption of AASB 15 as if it had been applied on 30 June 2018, as outlined in section 5.3. The adjustment to retained earnings primarily relates to the restatement of customer variations and claims, reflecting the higher probability threshold required under AASB 15. RCR remains confident that these claims will be settled and the restatement only changes the timing of when the revenue will be recorded.

Note 3: The pro forma balance of cash and cash equivalents as at 30 June 2018 should be read in conjunction with section 5.8 below.

5.8 Overview of funding arrangements

RCR reported total funding facilities of \$681.3 million as at 30 June 2018 including:

- (a) \$431.3 million syndicated facility agreement (term December 2019)
 - i. \$295.0 million bank guarantee facility
 - ii. \$75.0 million working capital facility
 - iii. \$36.3 million senior debt
 - iv. \$25.0 million contingent instrument facility

- (b) \$250 million insurance bonding facility

In addition, RCR held cash of \$89.9 million as at 30 June 2018. The nature of RCR's business is such that there are large intra-month working capital requirements.

RCR's total funding facilities includes three separate types of funding used for different purposes:

- i. \$570.0 million in contingent instrument facilities, including a combination of insurance bonding, bank guarantee and contingent instrument facilities, which are used to provide security against RCR's contractual performance;
- ii. \$36.3 million in senior debt, which was fully drawn as at 30 June 2018 and makes up 'core debt' within RCR's capital structure and amortises at a rate of \$5 million per quarter; and
- iii. \$75.0M in revolving working capital facilities, which include a combination of different working capital instruments including letters of credit, working capital and other facilities. Working capital facilities can be used for payments by RCR in the ordinary course of business.

5.9 Contingent instrument facilities and senior debt

RCR maintains a number of contingent instrument facilities which are used by RCR to provide security (for RCR's customers) in respect to RCR's performance of contractual obligations.

- (a) **Bank guarantee facility and insurance bonding facility:** enables RCR to provide guarantees to their clients to support the performance of RCR's obligations under contracts (i.e. for the performance of contracting services related to a project); and
- (b) **Contingent instrument facility:** enables RCR to provide letters of credit to international suppliers for imported goods and materials.

Importantly, contingent instrument facilities are not available for RCR to use as general working capital, other than if permitted to be re-allocated under the MOFA (see section 11.6.3).

RCR also maintains senior debt as a term loan under its SFA. That term loan is currently fully drawn and amortises at a rate of \$5 million per quarter, with payments due on 31 January, 30 April, 31 July and 31 October.

Table 1: Summary of contingent instruments and senior debt

\$M (as at 30 June 2018)	Limit	Drawn	Available
Bank Guarantee Facility ¹	295.0	156.7	138.3
Insurance Bonding Facility	250.0	196.0	54.0
Contingent Instrument Facility ¹	25.0	21.7 ¹	3.3
Total Contingent Instrument Facilities	570.0	374.4	195.6
Senior Debt	36.3	36.3	-
Total Senior Debt	36.3	36.3	-
Total Contingent Instruments and Senior Debt	606.3	410.7	195.6
Pro forma changes post Entitlement Offer²			
- Contingent Instrument Facility ¹	(25.0)	(21.7)	(3.3)
- Bank Guarantee Facility ¹	(25.0)	-	(25.0)
Total Contingent Instruments and Senior Debt post Entitlement Offer	556.3	389.0	167.3

Note 1: As at the date of this Prospectus, the \$25 million Contingent Instrument Facility has \$25 million un-drawn. Key members of RCR's banking syndicate have agreed to make this headroom available to draw as working capital under the MOFA, with a corresponding \$25 million reduction in the limit of the Bank Guarantee Facility.

Note 2: Pro forma changes shown do not reflect actual balance of funds drawn under the Contingent Instrument Facilities or Senior Debt as at the date of this Prospectus.

5.10 Available working capital and liquidity

RCR funds its working capital requirement via operating cash flow and a revolving working capital facility.

RCR was in a net cash position as at 30 June 2018 before post balance date expected outflows of:

- (a) \$35 million cash relating to the Project cost overruns that have been accrued but not yet been paid; and
- (b) \$30 million cash relating to cash received from customers for equipment in FY18, which will be paid to suppliers in FY19.

In the last 12 months, RCR's revenue has been largely derived from fixed price EPC contracts, which expose RCR to potential risks including project delays, unanticipated increases in the cost of delivering the project and high working capital requirements in the later stages of the project. Cash receipts on these contracts are dependent on certain milestones being met, which may cause timing differences from a cash collection point of

view. In recent months, RCR has noted increased swings in its cash position, with an average intra-month cash movement of approximately \$88 million and the largest intra-month movement being approximately \$120 million. RCR expects its working capital requirements to remain high as it increasingly pursues 'alliance style' contracting models.

As at the date of this Prospectus the \$25 million Contingent Instrument Facility has \$25 million undrawn. RCR has also secured an increase in its working capital facilities of \$25 million, which can be drawn for working capital purposes, with a corresponding reduction in the bank guarantee facility of \$25 million.

Table 2: Liquidity available for working capital

\$M (as at 30 June 2018)	Limit	Drawn	Available
Working Capital Facility	75.0	2.0	73.0
Cash as at 30 June 2018	n/a	n/a	89.9
Available for working capital (30 Jun)	75.0	2.0	162.9
- Less known FY19 cash outflows	n/a	n/a	(65.0)
Available for working capital (post 30 Jun)	75.0	2.0	97.9
Pro forma changes Post Entitlement Offer¹			
Net proceeds from the Entitlement Offer	n/a	n/a	89.0
Increase in working capital under MOFA	25.0	-	25.0
Available for working capital on launch of Entitlement Offer	100.0	2.0	211.9

Note 1: Pro forma changes shown do not reflect actual balance of funds drawn under the working capital facility or the MOFA, or RCR's cash balance as at the date of this Prospectus.

6 Key Risks

This section includes details of the key risks attaching to an investment in shares in RCR. These risks may affect the future strategy, operating and financial performance of RCR and the value of RCR shares. The key risks are not set out in any particular order. Before deciding whether to invest in New Shares, you should consider whether such an investment is suitable for you having regard to publicly available information (including this Prospectus), your personal circumstances and following consultation with a financial or other professional adviser.

Additional risks and uncertainties that RCR is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect RCR's strategy, operating and financial performance. You should note that the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of RCR, its directors and senior management. Further, you should note that this section focuses on the potential key risks and does not purport to list every risk that RCR may have now or in the future. It is also important to note that there can be no guarantee that RCR will achieve its stated objectives or that any forward looking statements or forecasts contained in this presentation will be realised or otherwise eventuate. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

This section contains an outline of the material business risks that may impact on the RCR Group achieving its strategic objectives, business operations and projects and should be read in conjunction with RCR's FY18 Audited Financial Report, which is available at www.asx.com.au (search by reference to RCR's ASX ticker which is "RCR").

RCR has defined five discrete business risk environments, being: strategic and business, operational, project, financial, regulatory and project risks. Project risks are evaluated as a potential barrier to delivering contracted scopes against cost, time and technical performance targets, while maintaining health, safety and environmental performance at acceptable levels. RCR's risk management framework sets the minimum required standard for project management in the delivery of major projects. Risks deemed unacceptable are transferred (through contractual arrangements or insurance), reduced by mitigation action or avoided.

There are also general risks associated with investing in an ASX listed company and some risks associated with the Entitlement Offer. Those risk are summarised below.

Risk Category	Risk	Risk Description
Strategy and Business Risks	Class Action Risk and Regulatory Risk	<p>Following the recent events at the Project, there is a risk of class action. A risk of a class action being threatened or instituted arises in circumstances where earnings fall short of market expectations or company guidance if a reduction in the share price results. RCR is not aware of any threat of a class action having been made at this point in time.</p> <p>There is a risk of regulatory action against RCR in these circumstances.</p>

Risk Category	Risk	Risk Description
	Impact of Suspension of RCR shares	<p>RCR shares have been in trading halt since 30 July 2018 and in voluntary suspension since 1 August 2018. It is possible that associated uncertainties will result in a loss of confidence in RCR, including by existing and future RCR customers, suppliers and partners. Such loss of confidence by customers would negatively impacting RCR's ability to convert Preferred Contractor Status into future revenue, to secure new customers and contracts, maintain business relationships and overall profitability.</p> <p>Further, the suspension and any resulting loss of confidence may cause damage to RCR's reputation and brand, the potential consequence of such are set out below.</p> <p>There is a risk that the uncertainty around the suspension will also have led to a loss of confidence from employees resulting in departures of key personnel and a hindrance on future recruitment of employees.</p>
	Failure of Systems and Process	<p>There can be no assurance that internal control systems and procedures will not result in, or lead to, a future material weakness or loss of accreditations, including a failure of systems to ensure effective control of costs across projects and operations. Failure to maintain proper and effective internal controls may adversely impact RCR.</p> <p>Whilst RCR has systems and policies and processes in place to manage general personnel risk (including ensuring that all employees are aware of those policies and procedures), RCR cannot guarantee that an individual will not engage in conduct contrary to RCR's internal controls, system, business rules, policies and procedures or the law (including fraudulent activity). Any such action could adversely affect RCR's ability to meet current commitments, deliver projects and have an adverse impact on RCR and its brand.</p>
	Potential for cost overruns on projects	<p>There is a risk that additional cost overruns occur across one or more of RCR's projects which, may have an impact on RCR's future financial performance. In addition to potentially impacting RCR's financial performance, additional cost overruns may result in an inability to procure future contracts and maintain existing contracts. Further, future cost overruns have the potential to be costly and damaging to RCR's reputation and business relationships, which in turn could have an adverse effect on RCR, including its operating and financial performance, industry standing and the value of RCR shares.</p>

Risk Category	Risk	Risk Description
	Risk of adverse findings from independent review of the Project	RCR has undertaken to commission an independent review of the Project, to be undertaken by one of the big four accounting firms (excluding the Independent Auditor). Adverse findings from the independent review may impact RCR's future financial performance and have the potential to be costly and damaging to RCR's reputation and business relationships, which in turn could have an adverse effect on RCR, including its operating and financial performance, industry standing and the value of RCR shares.
	Ineffective Execution of Strategy	The execution of RCR's strategy requires a degree of risk-taking. In particular, the success achieved by individual contracts may not translate to profitable returns for RCR (and RCR's shareholders, in turn) for various reasons, including lower than expected margins. In such a case, the execution risk of that project may not be commensurate with the profit returned. Any inability to achieve organic growth or to execute acquisition growth strategies may have an adverse impact on share price, shareholder sentiment and the long-term sustainability of the business.
	Inability to maintain a strong Balance Sheet to support strategy	Capital for the business is a fundamental requirement to achieve business objectives and to meet financial obligations when they fall due. The inability to maintain a strong balance sheet or to secure new capital or credit facilities (in the form of cash advance, overdraft, guarantee and bonding facilities) could impact RCR's opportunity to bid for work, make investments or meet its ongoing liquidity needs. The perception of a strong balance sheet is equally important to retaining the confidence of external counterparties and maintaining commercial terms as well as winning new work. A loss of confidence in RCR's balance sheet may impact RCR's future financial performance and has the potential to be costly and damaging to RCR's reputation and business relationships, which in turn could have an adverse effect on RCR, including its operating and financial performance, industry standing and the value of RCR shares.

Risk Category	Risk	Risk Description
	Working capital requirements	<p>Due to the nature of RCR's business, and operations, RCR has significant working capital requirements, which is expected to continue into the future. Relevantly, RCR's revised operating strategy includes a shift towards 'alliance style' contracting. This type of arrangement requires a larger amount of working capital than is required under EPC style arrangements.</p> <p>Furthermore, due to the nature RCR's business, specifically in respect to the receipt of milestone payments under project contracts, it is possible that RCR may be unable to accurately predict working capital requirements in the future. If this is the case, RCR may require additional funding to address those working capital requirements.</p>
	Reducing Demand for Services and Products	<p>The markets for RCR's goods and services are exposed to:</p> <ul style="list-style-type: none"> (a) the capacity of the State and Federal Governments and private industry capacity to invest in infrastructure, energy, resources and other projects, with consequent changes in spending and demand for RCR's services and products; (b) major project delays or cancellations (amongst others), which may decrease the demand for RCR's goods and services; (c) unpredictable and cyclical commodity prices, the economic activity of its customers and general economic conditions affecting customers' ability to fund capital and operational expenditure; and (d) saturation of competitors in the market leading to shifts in competitive dynamics when trying to secure future work. <p>These variables are determined by domestic and global factors outside the control of RCR and have the potential to adversely impact RCR's operating and financial performance. They may affect the shape and size of RCR's future Order Book, the potential profit margins at which any future work is won, and the availability of 'alliance style' contracts in the future (being an aspect of RCR's operating strategy going forward).</p>

Risk Category	Risk	Risk Description
	Lack of Diversification of Revenue	<p>RCR seeks to diversify its revenues across a broad range of sectors in an effort to address some of the risks described in this table, and to target growth opportunities in existing and new sectors and across geographical regions.</p> <p>Nevertheless, demand for RCR's goods and services can be cyclical, concentrated and may sometimes vary markedly over relatively short periods due to a broad range of factors, including the timing or failure to obtain contracts, delays in awards of contracts, cancelations of contracts, changes in market conditions, and increased competition. Accordingly, any change to the markets in which RCR operates could adversely impact RCR's financial performance.</p>
	Renewable Energy Market Concentration Risk	<p>RCR is exposed to a range of risks and opportunities associated with engineering, procurement and construction ("EPC") of large-scale solar projects. This is a sector for RCR which is experiencing growth exposing RCR to a range of risks and opportunities including energy regulations and standards, commissioning, capital investment, increased competition and a range of associated engineering, procurement and construction ("EPC") activity risks.</p> <p>RCR's current Order Book and Preferred Contractor Status (and therefore future revenues and earnings) are weighted towards EPC contracts for large-scale solar farms. Any adverse changes in the solar industry may have a significant impact on RCR.</p>
	Risk that RCR is not successful in securing alliance style contracts	<p>Under the leadership of RCR's newly appointed Interim CEO, RCR is re-positioning towards a lower risk operating strategy. To achieve this, RCR's near-term strategic objective includes a shift in the project portfolio towards 'alliance style' contracting model, which provide a higher degree of earnings predictability. They do however require a higher commitment of up front working capital. There is a risk that RCR does not successfully secure new alliance style contracts which may impact RCR's order book and preferred contractor status going forward. This may negatively impact RCR's future financial performance and have the potential to be costly and damaging to RCR's reputation and business relationships, which in turn could have an adverse effect on RCR, including its operating and financial performance, industry standing and the value of RCR shares.</p>

Risk Category	Risk	Risk Description
	Adequacy of Insurance	While RCR believes it manages its risk by transferring risk deemed unacceptable by way of insurance, it is not insured against all foreseeable risks. It is also not guaranteed that insurance will continue to be available on commercially acceptable terms and conditions or at a commercially acceptable cost. If an event occurs that is not covered by insurance or exceeds the insurable limits, it may have a material adverse impact on RCR's future financial performance and position.
	Damage or Dilution to RCR's Reputation or Brands	RCR relies on the strength of its reputation to help win and retain work, attract and retain employees, secure lines of credit and gain access to capital. Reputational damage could arise due to any number of circumstances including inadequate service delivery, failure of joint contractors or joint venture partners, conflicts of interest, failing to deliver on a customer's desired outcomes or the mere perception of the existence of any of these circumstances. Any damage to RCR's reputation, brands and business relationships could have an adverse effect on its business, including its operating and financial performance, industry standing and the value of RCR shares. There is also a potential risk that the recent cost overruns and procurement control issues experienced at the Project may have a negative impact on the RCR brand, which could impact its ability to win new work, including 'alliance style' contracts.
	Technology Disruption to RCR's Business	Innovation is a core element of RCR's focus and strategy. The introduction of new technologies or any failure by RCR to deliver innovative solutions to its customers may impact future revenue streams and result in a loss of market share.

Risk Category	Risk	Risk Description
Financial Risks	Reduced Access to Funding – Liquidity, Financing and Bonding	<p>RCR funds part of its operations with debt and relies on continued profitability and business cash flows to meet financial covenants and to service the interest on such debt. Further, RCR relies on available cash or equity or debt funding, to refinance its debt.</p> <p>RCR has performance bonding facilities under which several insurance bond providers provide bonds for projects in the ordinary course of RCR's business. The facilities are uncommitted and, as a result, RCR has no certainty that the issuer will provide the bonds as requested. Further, the performance bonding facilities are subject to renewal on an annual basis.</p> <p>RCR has a credit facility agreement which expires in December 2019. RCR's ability to comply with the terms of the facility, refinance its debt on maturity and renew or replace its performance bond facilities will depend on a number of factors including past performance (if forecasts are achieved), general economic, political, capital and credit market conditions. Any inability by RCR to raise additional funds as required, or refinance existing borrowings or replace bond facilities from time to time, on commercially acceptable terms, could adversely affect RCR's financial position, financial performance, its ability to remain within targeted levels of gearing and its ability to issue bonds in the ordinary course of its business. RCR also carries a breach of covenant risk, under Banking Facilities, if cash flows and profitability forecasts are not achieved, including if the Entitlement Offer does not proceed as expected.</p>
	Other Financial Risks	RCR is subject to other financial risks including market risk, credit risk, foreign exchange rate risk, interest rate risk, and liquidity risks which are set out in Section 5.3 Financial Risks Management in RCR's 2018 Financial Report.
Operational Risks	Order Intake, Order Book, and Preferred Contractor Status	<p>RCR's Order Book and backlog comprise certain estimates and vary from time to time due to the impact of project delays or cancellations. The Order Book also includes amounts expected or anticipated under contracts, current work programs, maintenance arrangements and framework arrangements. The Order Book includes amounts which cover multiple financial periods. Accordingly, RCR's Order Book at any particular date remains subject to change and is therefore an uncertain indicator of future revenue and earnings. Significant delays to contract award dates anticipated in the Order Book may adversely impact RCR's liquidity.</p> <p>Where RCR refers to Preferred Contractor Status, RCR cannot guarantee that this status will convert to a contract and is therefore an uncertain indicator of future earnings.</p>

Risk Category	Risk	Risk Description
	Human Capital	<p>The ability of RCR to effectively execute its strategic and operational objectives and projects, depends on the efforts and contributions of a number of key personnel and the skills and experience of its people.</p> <p>The loss of critical skills, business knowledge, experience and relationships, which may occur due to the unplanned departure of the Chairman, CEO, CFO and other key management and project management personnel where an appropriate replacement has not been appointed could adversely impact RCR's ability to bid and win new work, meet current commitments, deliver projects and grow the business as planned.</p> <p>In addition, any challenges in relation to RCR's ability to procure or retain appropriately experienced site staff, management and other key personnel may also impact RCR's ability to execute its strategic and operational objectives and projects.</p> <p>Further, the ability of RCR to successfully deliver client projects is dependent on the effective execution and management of that project from start to finish by the project management team. Whilst RCR has systems in place to actively monitor ongoing projects and the activities of the project management team (including monthly project control meetings with senior management), the effectiveness of those controls is dependent on the information provided by the project management team.</p>
	Intellectual Capital Risk	<p>RCR's business is dependent on corporate memory and know-how developed by RCR's engineering, design, construction and manufacturing processes and its various Licencing Agreements. Any failure to maintain this know-how and RCR's core processes or any loss of licences may have an adverse impact on RCR.</p>
	Information Technology and Cyber Security	<p>RCR's business is dependent on the efficient operation of information technology systems to support its operations. Any failure or breach of data and IT security could result in business interruption, the loss of clients or contracts, damaged reputation and a weakening of its competitive market position, particularly where restorative / substitute technology systems are not available on acceptable terms. Furthermore, cyber-attacks on RCR may lead to the distribution of sensitive business information (or client information), damage RCR's business prospects and reputation and potentially cause RCR to breach relevant privacy laws.</p>

Risk Category	Risk	Risk Description
	Foreign Operations and Sovereign Risk	<p>RCR operates in countries outside of Australia including New Zealand, Malaysia, Indonesia, Vietnam, and the Pacific.</p> <p>Changes to current political, general economic or social conditions in these locations, (including any changes brought about by revised laws, judicial or administrative policies or outbreaks of civil war, periods of civil unrest or acts of terrorism) may adversely impact RCR's ability to effectively deliver project and operational services. This, in turn, may have an adverse effect on RCR's operating and financial performance. There is also a risk that the actions of a government, third party or any other unforeseen events in any of these countries may adversely affect RCR.</p>
Project Risks	EPC Risks	<p>RCR's ability to achieve its operating and financial performance objectives is influenced by its ability to complete complex projects to the satisfaction of its customers. The execution and delivery of projects or supply of RCR proprietary equipment involves professional judgment regarding the design, planning, construction, commissioning and operation of complex operating facilities and equipment.</p> <p>Projects may occur over extended time periods and may be impacted or delayed due to procurement, engineering design changes, construction, commissioning, adverse weather, physical environment, supplier events, performance of sub-contractors and joint venture partners, regulatory requirements, employment practices and a wide variety of other circumstances. Projects and operations, cash flows and liquidity could be adversely affected if RCR miscalculates the resources, cost or time needed to complete a project, fails to meet contractual obligations, encounters delays due to varying conditions or if a supplier fails to deliver project materials on time. In addition, some projects require payment of liquidated damages if RCR does not meet project deadlines or other contractual obligations.</p>
	Defect risks	<p>RCR's ability to achieve its operating and financial performance objectives is also influenced by its ability to complete projects and its deliver on its contracts free of defects. There is a risk that defects in the engineering, design, construction or overall performance of the Project or other projects may be costly and damaging to RCR's reputation and business relationships, which in turn could have an adverse effect on RCR, including its operating and financial performance, industry standing and the value of RCR shares. Further, RCR's ability to procure new contracts or maintain existing contracts may also be adversely impacted.</p>

Risk Category	Risk	Risk Description
	Tender estimates	RCR utilises extensive skills and expertise when pricing for fixed price contracts and uses all reasonable efforts to ensure that those tenders accurately reflect the scope of work. There is a risk that the tender estimate is not reflective of the actual position such that RCR suffers a financial loss.
	Geotechnical Risks	Geotechnical conditions substantially different from those anticipated, may impact RCR's ability to deliver projects as originally envisaged, impacting project timeline and financial performance.
	Client Risk and Contract Risk	<p>RCR's businesses rely on the ability to secure new customers, new contracts and maintain business relationships. There is a risk that RCR's customers may terminate their contracts with RCR if they have termination rights, not renew those contracts upon expiry, or seek to renew those contracts on less favourable terms. This may have an adverse effect on RCR's business, including its operating and financial performance, industry standing and the value of RCR shares.</p> <p>In addition, there is a risk that RCR's customers may be late or default on their contractual obligations including payment default or delays, or fail to assess or not agree to RCR's contractual claims and variations in a timely manner. This risk should be read in conjunction with the Financial Statements, specifically Section 4.1 (Trade and other Receivables) in RCR's 2018 Audited Financial Statements. Further, there may be delays outside the control of RCR that may impact on RCR's financial performance.</p>

Risk Category	Risk	Risk Description
	Actual and Potential Disputes	<p>Due to the contractual nature of RCR's business, RCR is currently and may in the future be subject to claims, disputes or proceedings or bring claims, disputes or proceedings against counterparties, each in the ordinary course of business. These could be costly and damaging to RCR's reputation and business relationships, which in turn could have an adverse effect on RCR, including its operating and financial performance, industry standing and the value of RCR shares. Further, there is a current and future risk that certain persons who have a claim against RCR may threaten to exercise or exercise rights to call on any security provided by or on behalf of RCR.</p> <p>If:</p> <ul style="list-style-type: none"> (a) the security called was issued under a performance bonding facility or the credit facility, the issuer of the bond would have a right to immediately call on RCR to reimburse them for the amount paid on the bond; and (b) there was a threat to call on the security issued under a performance bonding facility, the relevant insurance bond provider would have rights to call for cash cover. <p>Depending on the materiality of the call, it may have a significant and adverse impact on RCR's working capital position and its ongoing liquidity.</p> <p>The Directors are of the opinion that adequate allowance has been made for these actual and potential disputes in RCR's accounts and that disclosure of any further information about actual or potential claims, disputes or proceedings would be prejudicial to the interests of RCR.</p>

Risk Category	Risk	Risk Description
	Contingency and Impairment	Project receivables are subject to the outcome of certain claims which have been made by, or against, RCR and RCR controlled entities. These claims arise out of contracts in the ordinary course of business. Estimates are regularly made in relation to claims and variation positions, and management assesses the likelihood of recovery prior to recognising any receivable amount in the Financial Statements in accordance with accounting standards. This opinion is based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that are expected to take place. It is possible that such analysis, and the best estimate assumptions made by RCR, draw conclusions and forecasts which are inaccurate or which may not be realised in due course. If this is the case, the actual amount recoverable by RCR may be less than the carrying value of its receivables, which may have an adverse impact of RCR's financial performance and the value of RCR shares. In relative terms, there has been a significant increase in the size of claims not yet recovered.
	Contingent Liabilities	RCR may be required to fund payments under bank guarantees, bonds and letters of credit issued in relation to its projects and contracts. There is a risk that such instruments may cease to be available on commercially acceptable terms. In addition, RCR is, from time to time, required to give advance payment guarantees, performance guarantees and indemnities. There is a risk that the securities provided by RCR are called upon.
	Fixed Price and Schedule of Rates Contracts	Fixed price or schedule of rates contracts exists in RCR's business. Such contracts may not be profitable where the cost of performing RCR's obligations under the contract exceeds the agreed fixed price or rates.
	Partners Joint Ventures and Counterparties	Some parts of RCR's operations are subject to key partners, joint venture partners, suppliers and other counterparties continuing to perform and manage their obligations to an acceptable standard. Any failure to perform or mismanagement by such a third party may adversely affect RCR particularly if the relationship with the third party deteriorates.
Regulatory Risks	Injury, Safety, or Environmental Incident	RCR's businesses are subject to Occupational Health and Safety (OH&S) and Environmental regulations, which impose certain responsibilities on RCR and its Officers. RCR's industry involves a high degree of operational risk and whilst RCR believes it takes reasonable precautions to manage the OH&S and environmental risks, there can be no assurance that RCR will avoid significant costs, liability and penalties or criminal prosecution.

Risk Category	Risk	Risk Description
	Non-compliance with Applicable Laws, Regulations and Standards, Industrial Relations Agreements	Any non-compliance by RCR, its employees or its subcontractors with applicable laws, regulations and standards, workplace regulations and industrial agreements or adverse change thereto may affect RCR's business and the value of RCR shares. RCR is required to hold certain operating permits, licences, accreditations and certifications. Any loss of, failure to comply with or failure to hold such required permits, licences, accreditations, standards and certifications may directly impact RCR's ability to fulfil its contractual obligations and adversely affect its business, including its operating and financial performance, industry standing and the value of RCR shares.
General Risks	Risks Associated with an Investment in Shares	<p>There are general risks associated with investments in equity capital. The trading price of RCR shares may fluctuate with movements in equity capital markets in Australia and internationally. Generally applicable factors which may affect the market price of shares over which RCR and RCR Directors have no control include:</p> <ul style="list-style-type: none"> (a) General movements in Australian and international stock markets; (b) Investor sentiment; (c) Australian and international economic conditions and outlook; (d) Changes in interest rates and the rate of inflation; (e) Change in government regulation and policies; and (f) Geo-political stability, including international hostilities and acts of terrorism. <p>No assurances can be given that the new shares offered under the Entitlement Offer will trade at or above the issue price. None of RCR, its Directors or any other person guarantees the market performance of the new shares.</p>

Risk Category	Risk	Risk Description
	Tax implications	<p>Future changes in tax laws, including changes in interpretation or application of those laws by a court or tax authority may affect the tax treatment of an investment in RCR shares, or the holdings and disposal of those shares. Tax considerations may differ between RCR shareholders. Therefore, prospective investors are encouraged to seek professional tax advice in connection with any investment in RCR shares.</p> <p>Further, changes in tax law, or changes in the way tax law is, or is expected to be, interpreted in the various jurisdictions in which RCR operates, may impact the future tax liabilities of RCR. Those laws may also adversely affect the tax treatment of entities within the RCR group, and that may in turn adversely affect the value of RCR shares or distributions on those shares.</p> <p>Finally, RCR Shareholders should note there is a specific tax risk that the ATO does not agree with the eligibility of RCR's allocation of certain expenditure between 2014 and 2017 as research and development activities.</p>
	Accounting Standards	Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside RCR's control. Changes to accounting standards issued by AASB could materially affect the financial performance and position reported in RCR's financial statements.
Entitlement Offer Risks	Equity Raising Dilution Risk	If shareholders do not participate in the Entitlement Offer then their percentage shareholding in RCR will be diluted.
	Distributions	Any future dividend levels will be determined by the RCR board, having regard to its operating results and financial position (including profitability and cash flow) at the relevant time. There is no guarantee that any dividend will be paid by RCR or, if paid, that they will be paid at previous levels.

Risk Category	Risk	Risk Description
	Equity Raising Underwriting Risk	<p>RCR has entered into an Underwriting Agreement under which the underwriter, Macquarie Capital (Australia) Limited, has agreed to underwrite the Entitlement Offer. If certain conditions are not satisfied or certain events occur under the Underwriting Agreement, the underwriter may terminate the Underwriting Agreement. This may have a material impact on the proceeds raised under the Entitlement Offer, and RCR is likely to need to find alternative financing. If the Entitlement Offer does not proceed in accordance with the terms of the Underwriting Agreement, there is a risk that RCR will not have the benefit of the Financier Support Letters.</p> <p>Specifically, if the Entitlement Offer is not successful and at least \$50 million in proceeds from the Institutional Component of the Entitlement Offer are not received by the end of ten business days of the date of this Prospectus, this will constitute a review event under the SFA. If the Facility Agent and RCR are not able to agree actions to address the review event within seven business days (or such longer period as consented to by the Agent) of the review event, this will constitute an event of default under the SFA. This would entitle the Facility Agent to terminate the Support Period and take the necessary steps, as allowed under the SFA, to enforce its security over RCR and the other RCR Group parties that have provided security.</p> <p>Please refer to section 11.4 for a full summary of the Underwriting Agreement and section 11.6.4 for an overview of the consequences if the Entitlement Offer is not successful.</p>

7 Key People, Interests and Benefits

7.1 Directors' interest

7.1.1 Holding of shares

As at the date of this Prospectus, relevant interests held by Directors in Shares are set out in the table below:

Director	Number of Shares	Voting power in RCR shares	Interest in Performance Rights
Mr Roderick Brown	145,725	0.09%	Nil
Mr Bruce James	14,225	0.01%	Nil
Mr Lloyd Jones	33,517	0.02%	Nil
Ms Eva Skira	Nil	Nil	Nil
Ms Sue Palmer	Nil	Nil	Nil
Mr David Robinson	Nil	Nil	Nil

As at the date of this Prospectus, the Directors do not hold any performance rights or options to apply for Shares.

7.1.2 Non-Executive Director Remuneration

The Non-Executive Directors of RCR are entitled to a fee that consists of a base director fee and committee fee for participation nominated Board subcommittee. All director fees are inclusive of statutory superannuation. Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit of \$950,000, which was last approved by shareholders at the 2012 Annual General Meeting.

Non-Executive Directors are also entitled to reimbursement for business related expenses, including travel expenses.

The table below sets out the annual board and committee fees payable to Non-Executive Directors

Position	Board	Audit & Risk Committee	Remuneration & Nomination Committee
Chairman of the Board	208,000		
Non-Executive Director	104,000		
Committee Chairman		24,000	20,000
Committee Member		12,000	10,000

No retirement benefits are paid other than the statutory superannuation contributions required under Australian superannuation guarantee legislation.

The table below sets out the Non-Executive Directors' Remuneration paid in FY18:

Director	Director Fee (\$)	Superannuation (\$)	Total (\$)
Mr Roderick Brown	199,087	18,913	218,000
Ms Eva Skira	113,242	10,758	124,000
Mr Lloyd Jones	107,102	10,175	117,277
Mr Bruce James	105,936	10,064	116,000
Ms Sue Palmer	116,895	11,105	128,000
Mr David Robinson	35,157	3,340	38,497
Mr Paul Dippie	48,333	-	48,333
Total	725,752	64,355	790,107

Note: Mr Bruce James was appointed Interim CEO on 6 August 2018 and therefore no longer is paid Directors' fees. Refer to section 7.1.5.

7.1.3 Intentions of Directors

Each Director will be entitled to participate in the Entitlement Offer to the extent that the Director holds Existing Shares at the Record Date. Each Director intends to participate in the Entitlement Offer to the extent of subscribing for their Entitlement.

7.1.4 Holding of shares

As at the date of this Prospectus, relevant interests held by Executives in securities are set out in the table below:

Director	Number of Shares	Number of Performance Rights
Mr Bruce James	14,225	Nil
Mr Andrew Phipps	150,000	550,000
Mr Conal McCullough	Nil	541,000

7.1.5 Executive remuneration

RCR's executive remuneration framework for executives (excluding the Interim CEO) has three components, two of which are "at risk" and vary with performance:

- fixed pay which reflects the person's experience and scope of responsibilities;

- For personal use only**
- (b) short-term incentives (**STI**) rewards executives for meeting or exceeding annual performance NPAT hurdles, whilst at the same time linking their STI rewards to improvement in safety outcomes. No STI is paid unless the Threshold hurdle is achieved. The STI payment is paid in cash if the “threshold” and “target” hurdles are met and beyond that, STIs are then paid in a mixture of cash and deferred shares; and
 - (c) long-term incentives (**LTI**) focuses the efforts of executives on the achievement of sustainable, long-term value creation and success. This aligns outcomes for executives with the long-term interests of shareholders through the use of two performance hurdles, being earnings per share growth and relative total shareholder return (**TSR**).
 - (d) Earnings Per Share (**EPS**) growth was chosen as a performance hurdle as it is a key metric to measure RCR’s long-term success as it contains clear links to shareholder value creation.
 - (e) Relative TSR was chosen because it provides an external market performance measure having regard to RCR’s peers.

LTI are provided as conditional rights, including performance rights, options, shares or deferred shares and vest according to the target performance level reached.

Remuneration of Mr Bruce James, Interim CEO and Executive Director

Mr Bruce James was appointed as Interim CEO on 6 August 2018. Mr James is paid a fixed pay of \$1,000,000 (inclusive of statutory superannuation) and does not receive any short-term or long-term incentives. Mr James has extensive experience in contracting businesses across the infrastructure, resources, oil & gas, defence and energy sectors, including as Chief Executive Transfield Services (ANZ) and Chief Executive Transfield Services (Resources and Energy).

Mr James’ appointment as Interim CEO will continue until a permanent CEO is employed by RCR but may also be terminated for cause or with four weeks’ notice by either party.

7.2 Remuneration of other Executives in FY18

The table below sets out the remuneration paid to senior executives in FY18:

Executive	Fixed Pay	Non-Monetary Benefits	Super	Long Service Leave Expense	Fair Value of Equity Grants	Total Remuneration
Andrew Phipps CFO	658,979	5,487	20,049	7,305	380,207	1,072,027
Conal McCullough COO	542,548	8,336	20,049	3,526	919,403	1,493,862

7.3 Potential Effect of the Entitlement Offer and Underwriting Agreement on the voting power of RCR

The Underwriter has underwritten the Entitlement Offer. As such, the Underwriter will take up any shares not otherwise subscribed for under the Institutional Entitlement Offer or the Retail Entitlement Offer.

If no shares were taken up by any Eligible Shareholder and the Underwriter was required to take up the entire Entitlement Offer, the maximum number of New Shares that the Underwriter could acquire under the Underwriting Agreement and the effect on the Underwriter's voting power would be as follows:

Total RCR shares on issue prior to Entitlement Offer	Underwriter's current shareholding in RCR	Total New Shares to be issued under Entitlement Offer (including as % of current issued share capital)	Total RCR shares on issue post Entitlement Offer	Underwriters voting power if all New Shares acquired under Entitlement Offer
165,358,044	3,072,583 (1.9%) ⁵	100,216,997 (60.6%)	265,575,041	38.9%

The Underwriter may enter into Sub-Underwriting Agreements in respect of some or all of the shares not subscribed for under the Retail Entitlement Offer which it may be required to subscribe for under the Underwriting Agreement. As such, the maximum number of New Shares the Underwriter might be required to acquire could be reduced as a result.

Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in voting shares if, because of that acquisition, a person's voting power in the company:

- (a) increases from under 20% to over 20%; or
- (b) increases from a starting point that is over 20% and below 90%.

However, there are a number of exceptions to the prohibition in section 606 of the Corporations Act, including acquisitions approved by shareholders of the company (section 611, item 7) and acquisitions that result from an issue, under a prospectus, of shares in a company if the issue is to a person as underwriter to the issue or sub-underwriter and the document disclosed the effect that the acquisition would have on the person's voting power in the company (section 611, item 13).

7.4 Interests of experts and advisers

Except as disclosed in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus;
- (b) promotor of RCR; or
- (c) broker or underwriter to the Entitlement Offer,

⁵ As at 23 August 2018

(each a “**relevant person**”) holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- (a) the formation or promotion of RCR;
- (b) any property acquired or proposed to be acquired by RCR in connection with its formation or promotion of RCR or the Entitlement Offer; and
- (c) the Entitlement Offer.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount or given or agreed to give any benefit for services provided by a relevant person in connection with the formation or promotion of RCR or the Entitlement Offer. The amounts below are exclusive of GST.

Macquarie Capital (Australia) Limited is acting as Lead Manager and Underwriter to the Entitlement Offer. The Underwriter is entitled to receive the fees and commissions described in the summary of the Underwriting Agreement in section 11.4.1.

Deloitte has prepared the Investigating Accountant’s Report in section 8. RCR has agreed to pay \$125,000 (excluding GST) for such services to the date of this Prospectus. Further amounts may be paid to Deloitte in accordance with its usual time-based charges.

King & Wood Mallesons has acted as Australian legal adviser to RCR in connection with the Entitlement Offer and has performed work in relation to the Australian due diligence enquiries on legal matters. RCR has agreed to pay \$650,000 (excluding GST and disbursements) for legal services in connection with the Entitlement Offer to the date of this Prospectus. Further amounts may be paid to King & Wood Mallesons in accordance with its usual time-based charges.

8 Investigating Accountant's Report

For personal use only

The Directors
RCR Tomlinson Ltd
L23, 1 Macquarie Place
Sydney, NSW 2000

28 August 2018

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors of RCR Tomlinson Ltd (the **Company**) for inclusion in the Prospectus to be issued by the Company in respect of the potential entitlement offer (the **Offer**).

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the Corporations Act 2001 for the issue of this report.

Capitalised terms used in this report have the same meaning as defined in the glossary of the Prospectus.

Scope

Pro Forma Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Company to review the:

- Pro forma historical consolidated statement of profit or loss of the Company for the financial year ended 30 June 2018; and
- Pro forma historical consolidated balance sheet of the Company as at 30 June 2018,
as set out in Table 5 of the Prospectus (together, the Pro forma Historical Financial Information).

The Pro forma Historical Financial Information has been derived from the Statutory Historical Financial Information, after adjusting for the effects of pro forma adjustments described in Table 5 of the Prospectus (the Pro forma Adjustments).

The Statutory Historical Financial Information has been extracted from the audited financial report of the Company covering the financial year ended 30 June 2018. The audit was undertaken by Deloitte Touche Tohmatsu in accordance with the Australian Auditing Standards. Whilst Deloitte Touche Tohmatsu issued an unqualified opinion with respect to 30 June 2018, the opinion included a paragraph with respect to a material uncertainty relating to going concern.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Historical Financial Information and the events or transactions to which the Pro forma Adjustments relate, as if those events or transactions had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro forma Historical Financial Information does not represent the Company's actual or prospective financial position.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Pro forma Historical Financial Information, including the selection and determination of the Pro forma Adjustments made to the Statutory Historical Financial Information and included in the Pro forma Historical Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Pro forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Pro forma Historical Financial Information, based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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 reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we will not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

Pro forma Historical Financial Information

- consideration of work papers, accounting records and other documents of the Company, including those dealing with the extraction of Statutory Historical Financial Information as mentioned above;
- consideration of the appropriateness of the Pro forma Adjustments described in Section 5 of the Prospectus;
- enquiry of the Directors, management, personnel and advisors of the Company;
- the performance of analytical procedures applied to the Pro forma Historical Financial Information;
- a review of work papers, accounting records and other documents of the Company and its auditors; and
- a review of the accounting policies adopted and used by the Company for consistency of application.

Conclusions

Pro forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 5 of the Prospectus.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 5 and the 'Important Notices' section of the Prospectus, which describe the purpose of the Pro forma Historical Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Company.

Yours faithfully

DELOITTE CORPORATE FINANCE PTY LIMITED



AG Collinson

Authorised Representative of
Deloitte Corporate Finance Pty Limited
(AFSL Number 241457)
AR Number 468674

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Deloitte Corporate Finance Pty Limited (DCF) (AFSL 241457) provides this FSG to you, so you know how we are remunerated and who to contact if you have a complaint.

Who supplies the financial services?

We provide this FSG to you where you engage us to act on your behalf when providing financial services.

Alternatively, we may provide this FSG to you because our client has provided financial services to you that we delivered to them.

The person who provides the financial service to you is our Authorised Representative (AR) and DCF authorises the AR to distribute this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

General financial product advice

We provide general advice when we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. In this situation, you should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If we provide advice to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

Personal financial product advice

When we give you advice that takes into account your objectives, financial situation and needs, we will give you a Statement of Advice to help you understand our advice, so you can decide whether to rely on it.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us.

Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

Please contact us about a concern:

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Phone: +61 2 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Financial Ombudsman Service (FOS). FOS provides fair and independent financial services dispute resolution free to consumers.

www.fos.org.au
1800 367 287 (free call)
Financial Ombudsman Service
GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

9 Australian Taxation Implications

This section is a general summary of the Australian income tax, capital gains tax (**CGT**), GST and stamp duty implications of the Entitlement Offer for certain Eligible Shareholders.

Neither RCR nor any of its officers or employees, nor its taxation or other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

The comments in this section deal only with the Australian taxation implications of the Entitlement Offer if you:

- (a) are a resident of Australia for Australian income tax purposes; and
- (b) hold your Shares on capital account.
- (c) These comments do not apply to all Eligible Shareholders and do not apply to you if, for example, you:
- (d) are not a resident of Australia for Australian income tax purposes; or
- (e) hold your Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading); or
- (f) acquired your existing Shares or the New Shares acquired by exercising the Entitlements pursuant to any employee share scheme; or
- (g) are subject to the Taxation of Financial Arrangements (TOFA) provisions contained in Division 230 of the Income Tax Assessment Act 1997 (Cth).

This taxation summary is necessarily general in nature and is based on the Australian tax legislation and administrative practice in force as at the date of this Prospectus. The taxation implications of the Entitlement Offer will vary depending upon your particular circumstances. It is recommended that each Eligible Shareholder seek their own independent professional tax advice applicable to their particular circumstances.

9.2 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in your assessable income, nor should it give rise to an adjustment to the cost base of your existing Shares.

9.3 Exercise of Entitlements

Eligible Shareholders who exercise their Entitlements will acquire New Shares. For CGT purposes, the New Shares will be taken to be acquired on the day that the Entitlements in respect of the New Shares are exercised and will have cost bases broadly equal to:

- (a) where your existing Shares were acquired (or are taken to have been acquired) on or after 20 September 1985, the Issue Price payable for the New Shares plus non-deductible incidental costs incurred in acquiring the New Shares; or
- (b) where your existing Shares were acquired before 20 September 1985, the sum of the market value of the Entitlements when they are exercised and the Issue Price payable for those New Shares plus non-deductible incidental costs incurred in acquiring the New Shares.

Eligible Shareholders should not make any capital gain or capital loss, nor derive ordinary assessable income, from exercising the Entitlements or subscribing for the New Shares.

9.4 **Dividends on New Shares**

Any dividends or other distributions made in respect of your New Shares will be subject to the same income taxation treatment as dividends or other distributions made on existing Shares held in the same circumstances.

9.5 **Disposal of New Shares**

On the disposal of a New Share, you will make a capital gain if the capital proceeds net of transaction fees on disposal exceed the total cost base of the New Share. You will make a capital loss if the capital proceeds net of transaction fees are less than the total reduced cost base of the New Share. The cost base (and reduced cost base) of New Shares is generally described above in section 9.3.

Individuals, complying superannuation entities or trustees that have held New Shares (as the case may be) for at least 12 months (not including the dates of acquisition and disposal of such shares) may be entitled to claim a CGT discount on the amount of any capital gain resulting from the sale of the New Shares (after the application of any current year or carry forward capital losses). The CGT discount applicable is one-half for individuals and trustees⁶ and one-third for complying superannuation entities. The CGT discount is not available for companies that are not trustees.

If a capital loss arises on disposal of the New Shares, the capital loss can only be used to offset capital gains and cannot be used to offset ordinary income. However, if the capital loss cannot be used in a particular income year it can be carried forward to use in future income years, providing certain tests are satisfied.

9.6 **Lapse of Entitlements**

If you do not exercise all or some of your total Entitlements, any Entitlements not exercised will automatically lapse. Because you will not receive any proceeds when the Entitlements lapse and the Entitlements were issued at no cost, there should not be any income tax consequences for you as a result of the lapse.

9.7 **Other Australian Taxes**

Eligible Shareholders should not be liable for any GST or stamp duty in respect of the issue or exercise of the Entitlements, or the acquisition of the New Shares.

⁶ It was announced in the 2018-19 Federal Budget that, from 1 July 2019, trusts that are MITs and AMITs will not be able to apply the 50% CGT discount to capital gains at the trust level.

10 New Zealand Taxation Implications

This section is a general summary of the New Zealand income tax, GST and stamp duty implications of the Entitlement Offer for certain Eligible Shareholders. These comments do not apply to you if you are not a resident of New Zealand for New Zealand income tax purposes.

The following comments concerning the taxation implications arising for Eligible Shareholders are general in nature, deal only with New Zealand tax implications, and are based on the law in New Zealand in force at the date of this Prospectus.

The taxation implications of the Entitlement Offer will vary depending upon your particular circumstances. It is recommended that each Eligible Shareholder seek their own independent professional tax advice applicable to their particular circumstances.

10.1 Issue and exercise of the Entitlements

The issue of the Entitlements, the exercise of the Entitlements and the acquisition of New Shares should not give rise to an assessable dividend for New Zealand income tax purposes, nor should these transactions give rise to any other income tax liability.

10.2 Dividends on New Shares

Any dividends or other distributions made in respect of your New Shares will be subject to the same income taxation treatment as dividends or other distributions made on your existing Shares held in the same circumstances.

10.3 Disposal of New Shares

If you sell your New Shares acquired by exercising the Entitlements, this should not give rise to any income tax liability for you subject to the further paragraphs below in this section 10.3.

Although New Zealand does not have a capital gains tax, there are instances where you will be subject to New Zealand tax on any gains you make on the sale or disposal of your New Shares (or you will be allowed a deduction for any loss you make from a sale or disposal of your New Shares). You must consider your individual circumstances to determine whether any gain on the sale or disposal of your New Shares will be taxable (or any loss deductible).

Generally, you will be subject to tax on any gain (or allowed to deduct any loss) arising from the sale or disposal of your New Shares if you:

- (a) are in the business of dealing in shares; or
- (b) acquire your New Shares as part of a profit making undertaking or scheme; or
- (c) acquire your New Shares with the dominant purpose of selling or disposing of them

Your taxable gain (or tax deductible loss) will be the difference between the cost of your New Shares and the amount of the consideration received from the sale or disposal. If you have a taxable gain, you will likely be required to include that gain in a tax return for the tax year in which the sale or disposal occurs. You will need to pay any tax owing in respect of the gain at your marginal tax rate.

10.4 Lapse of Entitlements

If you do not exercise all or some of your total Entitlements, any Entitlements not exercised will automatically lapse. Because you will not receive any proceeds when the Entitlements lapse and the Entitlements were issued at no cost, there should not be any income tax consequences for you as a result of the lapse.

10.5 Goods and services tax and stamp duty

New Zealand goods and services tax will not apply in respect of the issue or exercise of the Entitlements, nor the acquisition of the New Shares. New Zealand does not have stamp duty laws.

11 Additional Information

This section 11 sets out a number of matters of which you should be aware that have not been addressed in detail elsewhere in this Prospectus. It gives details of the availability of certain other important documents and a summary of some of these documents that are relevant for your investment decision. In addition, certain other prescribed details in respect of the Entitlement Offer have been set out in this section 11.

11.1 Nature of this Prospectus

This Prospectus is a prospectus for continuously quoted securities to which the special content rules under section 713 of the Corporations Act apply. This provision allows the issue of a more concise prospectus in relation to offers of securities in a class which have been continuously quoted on ASX for the three months prior to the date of this Prospectus.

Shares in RCR have been continuously quoted by ASX for the three months prior to the date of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange.

As an ASX listed company, RCR has provided ASX with a substantial amount of information regarding its activity and that information is publicly available. This Prospectus is intended to be read in conjunction with that publicly available information. Investors should therefore have regard to the other publicly available information in relation to RCR before making a decision whether or not to invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

11.2 Reporting and disclosure obligations

RCR is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, RCR is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by RCR which a reasonable person would expect to have a material effect on the price or value of its Shares, subject to certain exemptions.

RCR is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report.

11.3 Availability of other documents

The ASX maintains files containing publicly disclosed information about all listed companies. RCR's file is available for inspection at ASX during normal working hours, and RCR's announcements may be viewed on the ASX website (www.asx.com.au). In addition, copies of

documents lodged by, or in relation to, RCR with ASIC may be obtained from, or inspected at, an ASIC office.

RCR will provide a copy of any of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the annual financial report for the year ended 30 June 2018;
- (b) the half year financial report for the half year ended 31 December 2017; and
- (c) any other document used to notify ASX of information relating to RCR under the continuous disclosure provisions of the Listing Rules and the Corporations Act after the date of the annual financial report referred to above and before lodgement with ASIC of this Prospectus.

All requests for copies of the above documents should be addressed to:

RCR Tomlinson Ltd
C/- The Company Secretary
Level 23, Gateway
1 Macquarie Place
Sydney NSW 2000

All documents are also available on the ASX website (www.asx.com.au).

11.4 Underwriting Agreement

On 28 August 2018 RCR entered into an underwriting agreement with the Underwriter, under which the Underwriter has agreed to manage and underwrite the Entitlement Offer (**Underwriting Agreement**).

The underwriting is conditional upon RCR satisfying certain conditions customarily found in underwriting agreements for issuers in RCR's circumstances as well as lodgement of RCR's audited financial results for FY18 with an unqualified audit opinion.

The following is a summary of the principal provisions of the Underwriting Agreement.

11.4.1 Fees, Costs and Expenses

The Underwriter will receive the following fees under the Underwriting Agreement:

- (a) under the Institutional Entitlement Offer, a management fee of 1% and an underwriting fee of 4% of the proceeds received from the Institutional Entitlement Offer; and
- (b) under the Retail Entitlement Offer, a management fee of 1% and an underwriting fee of 4% of the proceeds received from the Retail Entitlement Offer.

RCR must also pay to the Underwriter its cost and expenses including legal and out-of-pocket expenses incurred by the Underwriter in relation to the Entitlement Offer.

11.4.2 Indemnities and warranties

Customary and usual representations and warranties are given by the parties in relation to matters such as power to enter into the Underwriting Agreement, corporate authority and the binding obligations attached to the Underwriting Agreement.

RCR gives a number of further representations and warranties to the Underwriter, including that this Prospectus and related public documents and information do not contain any statements that are misleading or deceptive (whether by omission or otherwise) and that RCR does not engage in conduct that is misleading or deceptive, together with warranties regarding financial reporting, continuous disclosure, government authorisations, due diligence, no event of insolvency, litigation and other matters concerning the Entitlement Offer and affairs of RCR.

RCR indemnifies the Underwriter and persons associated with the Underwriter in respect of certain losses that may be suffered in connection with the Entitlement Offer.

11.4.3 Termination Events

The Underwriter may terminate its obligations under the Underwriting Agreement without cost or liability by written notice to RCR if any of the following events occur:

- (a) **(disclosures)** in the Underwriter's reasonable opinion:
 - i. a statement in any of this Prospectus, other materials lodged with ASX on the date of this Prospectus or its financial results for FY18 is or becomes false, misleading or deceptive or likely to mislead or deceive (including by way of omission) or a matter required to be included is omitted from any of those documents (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act);
 - ii. a statement in any of the Entitlement Offer Materials of certain public information (other than the documents listed above) is or becomes false, misleading or deceptive in a material respect (including by way of omission) or likely to mislead or deceive (including by way of omission) in a material respect;
- (b) **(forecasts)** there are not, or there ceases to be, reasonable grounds in the reasonable opinion of the Lead Manager for any statement in the Prospectus or financial results which relates to a future matter or any statement or estimate in the Prospectus or financial results which relates to a future matter which is unlikely to be met in the projected timeframe including financial forecasts;
- (c) **(Supplementary Prospectus)** RCR issues a Supplementary Prospectus that has not been approved by the Underwriter in circumstances required by the Underwriting Agreement; or a Supplementary Prospectus is required to be lodged with ASIC to comply with section 719 of the Corporations Act;
- (d) **(breach of continuous disclosure obligations)** RCR breaches its continuous disclosure obligations;
- (e) **(material adverse change)** there is a material adverse change when compared to the position disclosed in the Entitlement Offer Materials or to the ASX prior to the date of the Underwriting Agreement;
- (f) **(market fall)**: the ASX/S&P 200 Index falls to a level that is 10% or more below its level at market close on the Business Day immediately preceding the date of the Underwriting Agreement and is at or below that level at the close of trading:
 - i. for two consecutive Business Days during any time after the date of the Underwriting Agreement until the Completion; or

- ii. on the Business Day immediately prior to the settlement of the Institutional Entitlement Offer or the settlement of the Retail Entitlement Offer (as applicable);
- (g) **(certificate not provided)** RCR does not provide a closing certificate as and when required by the Underwriting Agreement or the closing certificate provided is false, misleading or deceptive (including by way of omission);
- (h) **(withdrawal)** RCR withdraws all or part of the Entitlement Offer;
- (i) **(application and proceedings)** ASIC issues an order (including an interim order) under section 739(1A) of the Corporations Act, ASIC holds a hearing under section 739(2) of the Corporations Act or any person makes an application for an order under Part 9.5 of the Corporations Act, or to any Government Agency, in relation to the Entitlement Offer Materials or the Entitlement Offer or ASIC commences or gives notice of an intention to hold any investigation in relation to the Entitlement Offer unless such an application, notice or proceeding is made public and is withdrawn as set out in the Underwriting Agreement;
- (j) **(prosecution)** any of the following occur:
- i. a director or a member of Executive Management of RCR is charged with an indictable offence;
 - ii. any Government Agency commences any action against RCR, any other RCR Group member or any of their directors, or announces that it intends to take such action; or
 - iii. any director of RCR is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- (k) **(unable to issue or transfer)** RCR is prevented from allotting or issuing any New Shares within the time required by the Entitlement Offer Materials, the Listing Rules, the ASX Settlement Operating Rules or by any other Applicable Laws, an order of a court of competent jurisdiction or a Government Agency;
- (l) **(timetable)** any event specified in the timetable up to and including the settlement of the Institutional Entitlement Offer or the settlement of the Retail Entitlement Offer (as applicable) is delayed without the prior consent of the Lead Manager;
- (m) **(insolvency events)** any member of the RCR Group is or becomes Insolvent or there is any act or omission which would result in any member of the RCR Group becoming insolvent;
- (n) **(fraud)** RCR or any of its directors or officers engage in any fraudulent conduct or activity, whether or not in connection with the Entitlement Offer;
- (o) **(Chairman and Executive Management)** a director of RCR or a member of Executive Management is removed from office or replaced;
- (p) **(Auditor Confirmation)** the audit opinion issued by the Independent Auditor in respect of the FY18 Audited Financial Report is withdrawn, revoked or amended in an adverse manner without the prior written consent of the Lead Manager;

- Y
O
N
E
S
I
C
P
E
R
S
O
N
A
L
U
S
E
R
L**
- (q) (**financier confirmations**) either of the Financier Support Letters are terminated or amended without the prior written consent of the Lead Manager or the Support Period is terminated;
 - (r) (**breach of financial covenant**) includes an event of default under a Facility Agreement, enforcement action is undertaken under a Facility Agreement by a financier, the Facility Agent or the Facility Security Trustee or a review event occurs under a Facility Agreement which gives a financier the right to accelerate repayment of a debt or financing arrangement;
 - (s) (**ASX listing approvals and conditional trading**) unconditional approval (or conditional approval provided such condition would not, in the reasonable opinion of the Lead Manager, have a material adverse effect on the success or settlement of the Entitlement Offer) is refused or not granted for the official quotation of the New Shares or ASX makes a statement or indicates to RCR or the Lead Manager that official quotation of any of the New Shares will not be granted;
 - (t) (**trading halt**) a trading halt or voluntary suspension ends before the expiry of the relevant period contemplated by the Underwriting Agreement;
 - (u) (**listing**) RCR ceases to be admitted to the official list of ASX or its Securities are suspended from trading on, or cease to be quoted on ASX;
 - (v) (**notifications**) including, but not limited to the following notifications:
 - i. ASIC issues an order (including an interim order) under section 739(1A) or 739(3) of the Corporations Act;
 - ii. ASIC applies for an order under sections 1324 or 1325 of the Corporations Act in relation to the Entitlement Offer or the Entitlement Offer Materials or gives notice of an intention to prosecute RCR or any of the Directors;
 - iii. an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Entitlement Offer or the Prospectus; or
 - iv. any person (other than the Lead Manager) gives a notice under section 730 of the Corporations Act in relation to the Prospectus;
 - (w) (**illegality**) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Governmental Agency which makes it illegal for the Lead Manager to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Entitlement Offer;
 - (x) (**Cash Flow Forecasts**) a default by RCR to provide cash flows on a regular basis to the Underwriter;
 - (y) (**class actions and other proceedings**) a person initiates, commences, announces an intention to commence, solicits plaintiffs or group members for, or solicits or obtains funding for, or announces an intention to investigate the potential for, any proceeding, including against RCR, or takes any step to do such a thing; and
 - (z) (**insurance coverage**) other than an insurance bonding facility, an insurance policy held by any member of the RCR Group which is in force at the date of the Underwriting Agreement, or obtained or confirmed after the date of the Underwriting Agreement and is material to RCR is cancelled or withdrawn before completion of the Entitlement Offer.

In addition, there are a number of events in the Underwriting Agreement which do not entitle the Lead Manager to terminate the Underwriting Agreement unless in the reasonable opinion of the Lead Manager the event has had or is likely to have a material adverse effect on factors such as the price at which the New Shares will trade on ASX and the willingness of investors to subscribe for New Shares or has given rise to a liability to or contravention by the Lead Manager. Such events include new circumstances, information supplied, forecasts, breach of continuous disclosure obligations, hostilities, change of law, compliance, default, a breach of the representations and warranties, government agencies and disruption in financial markets.

For personal use only

11.5 Overview of RCR Facility Agreements and insurance bonding facilities

11.5.1 Overview of debt facilities

			Position as at 30 June 2018		Position post Entitlement Offer
Debt facility	Sub-commitments	Use / type of funding	Limit as of 30 June 2018	Amount drawn as of 30 June 2018	Limit upon receipt of \$50 million of proceeds under Entitlement Offer ⁷
SFA	Bank guarantee facility	Guarantees provided to clients to support the performance obligations of RCR.	\$295 million ⁸	\$156.7 million	\$270 million
	Senior debt	Fully drawn and makes up 'core debt' within RCR's capital structure. Amortises at a rate of \$5 million per quarter.	\$36.3 million	\$36.3 million	\$36.3 million
MOFA	Working capital facility	Revolving credit facility. Combination of different working capital instruments including letters of credit, working capital and other facilities. Working capital facilities can be used for payments by RCR in the ordinary course of business.	\$75 million	\$2 million	As at this date, RCR may allocate the full \$100 million limit under the MOFA to a combination of different working capital instruments ⁹
	Contingent instrument facility	Provides letters of credit to international suppliers for the security of imported materials and provide guarantees to clients to support the performance obligations of RCR.	\$25 million	\$21.7 million	

⁷ Please refer to section 11.6 of this Prospectus which summarises the consequences under the SFA and MOFA if the Entitlement Offer is not successful

⁸ The limit under the bank guarantee facility has been reduced by \$25 million, to \$270 million.

⁹ As at the date of this Prospectus until such time as the Entitlement Offer is complete and RCR has received at least \$50 million, RCR is restricted to using \$97 million under the working capital facility and \$3 million under the contingent instrument facility.

11.5.2 Insurance bonding facilities

In addition to the above, RCR has a \$250 million insurance bonding facility with a number of providers. These facilities provide guarantees to clients to support the performance obligations of RCR.

11.6 Impact of cost overruns on Facility Agreements and consequences if Entitlement Offer not successful

11.6.3 Financier Support Letters in relation to the SFA and the MOFA

As set out above, RCR is the borrower under a SFA and a MOFA.

On 30 July 2018, RCR went into a trading halt and subsequently, suspension on 1 August 2018, to allow management time to review cost overruns on the Project. As a result of the loss recognised on the Project, RCR considered whether the cost impact to the Project could impact the calculation of the financial covenants under the SFA.

RCR negotiated the Financier Support Letters in respect of the SFA and the MOFA with its financiers.

Under the Financier Support Letters, all financiers have confirmed that in calculating the RCR Group's net profit for the 30 June 2018 calculation date and each quarterly calculation date to and including 30 June 2019, RCR may add back to consolidated net profit the cost impact to the Project of an amount up to \$50 million.¹⁰ RCR Group's net profit is an input in the calculation of a number of its financial covenants under the SFA. The add back allows RCR to reverse the effect of the cost impact of the Project from its financial covenant calculations for each relevant calculation date.

The confirmations will lapse if RCR does not receive at least \$50 million in proceeds from the Entitlement Offer by the earlier of (i) 5 November 2018 (or such later date as agreed to by the majority financiers under the SFA), (ii) the Facility Agent terminating the Financier Support Letters for an event of default under the SFA (other than as a result of any change to RCR Group's EBITDA relating to the cost overruns), RCR's failure to comply with its obligations under the Financier Support Letters or an insolvency event, the earlier such date being the end of the Support Period.

As explained in the table set out in section 11.5.1 above, the lender under the MOFA has also agreed to RCR re-allocating certain sub-commitments under the MOFA such that RCR may utilise up to \$100 million under the working capital facility on receipt of at least \$50 million from the Entitlement Offer.¹¹

RCR has agreed to reduce the bank guarantee facility under the SFA by \$25 million and to amend the SFA to include an additional review event if the \$50 million proceeds of the

¹⁰ RCR can add back the lesser of \$50m and the amount of cost overruns that is deducted from the consolidated net profit for the period ending on the relevant calculation date. This is without prejudice to any other adjustments to consolidated net profit permitted under the SFA.

¹¹ Until such time as the Entitlement Offer is complete and RCR has received at least \$50 million in proceeds, as at the date of this Prospectus, RCR is confined to use \$97 million of the total \$100 million limit in the MOFA for the working capital facility and the \$3 million under the contingent instrument facility.

institutional component of the Entitlement Offer are not received within ten business days of the date of this Prospectus. If agreement cannot be reached within seven business days of the review event, it will be an event of default. RCR has also agreed to a consent fee, margin increases under the SFA and the MOFA, to information undertakings and review undertakings in relation to the Project.

RCR has not admitted or acknowledged any breach or default and the banks have not asserted a breach or default.

In addition to the Facility Agent, the financiers under the SFA and the Facility Security Trustee have agreed that, in relation to or by reason of any breach of the financial covenants which arise as a result of any change to the RCR Group's EBITDA relating to the cost impact to the Project:

- (a) they will not take any steps to exercise rights to:
 - i. accelerate or declare amounts immediately due and payable or payable on demand, demand immediate payment of cash cover, or cancel commitments¹² or commence any proceedings or other enforcement step to recover the amounts;
 - ii. exercise or take any step to exercise any right, power, authority, discretion or remedy under a security to appoint a controller, an administrator or liquidator; and
- (b) they confirm any floating charges are not treated as automatically crystallising under the New Zealand securities.

The support summarised above will remain in place until the end of the Support Period. Under the terms of the MOFA, the Lender cannot unilaterally take action for an event of default unless the Facility Agent has, under the SFA, taken the steps in respect of which it has agreed not to do under the SFA Support Letter as summarised above.

11.6.4 Consequences under SFA and MOFA if Entitlement Offer is not successful

If the Entitlement Offer is not successful and at least \$50 million in proceeds from the Institutional Component of the Entitlement Offer are not received by the end of ten business days of the date of this Prospectus, this will constitute a review event under the SFA. If the Facility Agent and RCR are not able to agree actions to address the review event within seven business days (or such longer period as consented to by the Agent) of the review event, this will constitute an event of default under the SFA. This would entitle the Facility Agent to terminate the Support Period, accelerate and the Facility Security Trustee to enforce its security over RCR and the other RCR Group parties that have provided security.

If the Entitlement Offer is not successful and at least \$50 million in proceeds from the Entitlement Offer are not received by the end of the Support Period, there are a number of significant and material consequences for the RCR parties under the SFA and MOFA, as varied by the Financer Support Letters.

In particular, the RCR parties will not have the benefit of the confirmations in relation to the add back of the cost impact to the Project to RCR Group's net profits for the purpose of determining its compliance with the financial covenants in the SFA, as summarised in section 11.6.3 above, for each calculation date commencing on 30 June 2018. Absent this

¹² As referred to above, RCR has agreed to reduce a bank guarantee facility under the SFA by \$25 million.

confirmation in respect of the add back, it is not abundantly clear whether the add back is permitted under the terms of the SFA. If the add back is permitted under the SFA, the RCR parties would have complied with their financial covenants undertakings under the SFA in relation to the 30 June 2018 calculation date. If the add back is not permitted under the SFA, RCR would have breached the financial covenants under the SFA in relation to the 30 June 2018 calculation date, effective from delivery of its audited accounts. That breach would result in an event of default under the SFA, giving the Facility Agent the right to accelerate and the Facility Security Trustee the right to enforce its security over RCR and the other RCR Group parties that have provided security.

Further, RCR will not be able to re-allocate all of its MOFA commitment to the working capital facility. It will only be able to utilise (if at all) \$97 million of the total \$100 million limit in the MOFA for the working capital facility and \$3 million under the contingent instrument facility.

11.7 Rights and liabilities attaching to Shares

The New Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares in RCR.

Full details of the rights attaching to RCR's Shares are set out in its Constitution, a copy of which can be inspected at RCR's registered office.

The following is a summary of the principal rights which attach to RCR's Shares:

11.7.1 Voting

At a general meeting of RCR, every Shareholder present in person or by proxy, attorney or representative has one vote on a vote taken by a show of hands, and, on a poll each Shareholder present in person or by proxy, attorney or representative has one vote for every fully paid Share held by him or her, and a proportionate vote for every partly paid Share, registered in such shareholder's name on RCR's share register.

A poll may be demanded by the chairman of the meeting, by any five Shareholders entitled to vote on the particular resolution present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of, or paid up value of, the Shares of all those Shareholders having the right to vote on the resolution.

11.7.2 General Meetings

Each Shareholder is entitled to receive notice of and to attend general meetings for RCR. This notice must be given in accordance with the Corporations Act or the Listing Rules.

11.7.3 Dividends

The Board may from time to time determine that a dividend is payable to the Shareholders, out of the profits of RCR.

11.7.4 Rights on a Winding Up

If RCR is wound up, whether voluntarily or otherwise, the liquidator with the sanction of a special resolution may divide among all or any of the contributors as the liquidator thinks fit any part of the assets of RCR.

11.7.5 Transfer of Shares

Subject to the Constitution and any restrictions attached to the securities, a shareholder may transfer all or any of its shares in any manner required or permitted by the law and the Listing Rules applying in relation to any computerised or electronic system established or recognised by the Listing Rules or the law for the purpose of facilitating dealings in securities, including a transfer that may be effected by any instrument in writing in any usual or common form or in any other form that the Board approves.

Notwithstanding any other provisions contained in these rules, while RCR is admitted to the Official List of ASX, it may refuse to register or prevent or interfere with the registration of a transfer of securities in RCR where amongst others the transfer is not in registerable form, the transfer is not permitted under terms of the Share or the transfer is not permitted or required by any of the Listing Rules or the law.

11.7.6 Issue of Further Shares

Without prejudice to any special rights conferred on the holders of any shares, and subject to the Listing Rules and Corporations Act, any share in the capital of RCR may be issued with preferred, deferred or other special rights, obligations or restrictions, whether in regard to dividends, voting, return of share capital, payment of calls or otherwise, as the Directors may from time to time determine.

11.7.7 Variation of Rights

The rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not RCR is being wound up, and subject to the Listing Rules, be varied with the consent in writing of members with at least 75% of the votes in the class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

11.7.8 Amending the Constitution

The Constitution may be amended by a special resolution of Shareholders.

11.7.9 Calls on shares

Subject to the Corporations Act, the Listing Rules, the Constitution and the terms upon which any shares may have been issued, the Board may make calls from time to time upon the shareholders in respect of all moneys unpaid on their shares.

11.8 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY® as outlined in section 3.5, you will be deemed to have represented to RCR that you are an Eligible Retail Shareholder and:

- (a) acknowledge that you have read and understand this Prospectus and your personalised Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Prospectus, and RCR's Constitution;
- (c) authorise RCR to register you as the holder(s) of New Shares allotted to you;
- (d) declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;

- Personalised Offer Only**
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
 - (f) acknowledge that once RCR receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;
 - (g) agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
 - (h) authorise RCR, the Underwriter, the RCR Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the RCR Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
 - (i) acknowledge and agree that:
 - i. determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of RCR and/or the Underwriter;
 - ii. RCR and the Underwriters, each of their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents disclaim any duty or liability (including negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
 - (j) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
 - (k) acknowledge that the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
 - (l) acknowledge the statement of risks included in section 6 of this Prospectus, and that investments in RCR are subject to risk;
 - (m) acknowledge that none of RCR, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of RCR, nor do they guarantee the repayment of capital;
 - (n) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
 - (o) authorise RCR to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
 - (p) represent and warrant (for the benefit of RCR, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to

- participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (q) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
 - (r) represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent such person holds ordinary shares in RCR and is acting for the account or benefit of a person in the United States);
 - (s) you understand and acknowledge that the Entitlements and the New Shares under the Retail Entitlement have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, the Entitlements under the Retail Entitlement Offer may not be issued to, taken up, or exercised by, and the New Shares to be offered or sold in the Retail Entitlement Offer may not be offered or sold to persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such person holds ordinary shares in RCR and is acting for the account or benefit of a person in the United States). You further understand and acknowledge that the Entitlements and the New Shares under the Retail Entitlement Offer may only be offered, sold and resold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
 - (t) represent and warrant that you are subscribing for or purchasing New Shares outside the United States in an “offshore transaction” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
 - (u) declare that if in the future you decide to sell or otherwise transfer any New Shares, you will only do so in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act, including in a standard (regular way) brokered transaction on the ASX, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States, in accordance with Regulation S under the US Securities Act;
 - (v) represent and warrant that you have not and will not send this Prospectus, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand; and
 - (w) declare that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the benefit of a person in the United States (to the extent such person holds ordinary shares in RCR and is acting for the account or benefit of a person in the United States), and you have not sent this Prospectus, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

11.9 **Consents**

Each of the parties referred to as consenting parties who are named below:

- 
- (a) has not authorised or caused the issue of this Prospectus;
 - (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this section; and
 - (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Macquarie Capital as Lead Manager and Underwriter to the Entitlement Offer;
- (b) King & Wood Mallesons as legal adviser to RCR in relation to the Entitlement Offer;
- (c) Deloitte Touch Tohmatsu as Independent Auditor in relation to the Entitlement Offer;
- (d) Deloitte Corporate Finance Pty Limited as Investigating Accountant to RCR in relation to the Entitlement Offer; and
- (e) Computershare Investor Services Limited as Share Registry provider to RCR.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

11.10 Transaction costs of the Entitlement Offer

The total transaction costs of the Entitlement Offer including underwriting, advisory, legal, accounting, tax and administrative fees as well as printing, advertising and other expenses relating to this Prospectus are expected to be approximately \$11 million, depending on the level of subscription under the Retail Entitlement Offer.

11.11 Withdrawal of Entitlement Offer

RCR and the Directors reserve the right to withdraw or vary all or part of the Entitlement Offer and this Prospectus at any time prior to the issue of New Shares, in which case RCR will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

11.12 Privacy

As a Shareholder, RCR and the Share Registry have already collected certain personal information from you. If you apply for New Shares, RCR and the Share Registry may update that personal information or collect, hold and use additional personal information about you. Such information may be used to assess your acceptance of New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, RCR and the Share Registry may disclose your personal information, for purposes related to your shareholding, to their agents, contractors or third party service providers to

whom they outsource services in order to assess your acceptance of New Shares, the Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation and distribution of Shareholder information and for handling of mail, or as otherwise authorised under the Privacy Act 1988 (Cth).

Company and tax laws require some personal information to be collected. If you do not provide us with your personal information we may not be able to process your application.

In most cases you can gain access to your personal information held by (or on behalf of) RCR or the Share Registry. RCR aims to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Share Registry if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information RCR or the Share Registry have about you, they will take steps to correct it. You can request access to your personal information by telephoning or writing to RCR through the Share Registry as follows:

Computershare Investors Services Pty Limited
GPO Box 505
Melbourne VIC 3001
1300 155 608 (within Australia) or +61 3 9415 4035 (outside Australia)

11.13 Governing Law

This Prospectus and the contracts which arise on acceptance of Entitlement and Acceptance Forms are governed by the law applicable in New South Wales, and each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales.

11.14 Consent to lodgement

Each Director of RCR has authorised and consented to the lodgement of this Prospectus with ASIC under the Corporations Act and has not withdrawn that consent prior to its lodgement with ASIC.

11.15 Foreign Selling Restriction

This Prospectus does not constitute an offer of New Shares of RCR in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of

Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this Prospectus does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the Prospectus Regulations). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

Luxembourg

This Prospectus has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC (Prospectus Directive), as amended and implemented in Luxembourg, from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in Luxembourg except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Luxembourg:

- (a) to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EU, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;
- (b) to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- (c) to any person or entity who has requested to be treated as a professional client in accordance with MiFID II; or
- (d) to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565.

New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the FMC Act).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of RCR with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This Prospectus has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This Prospectus and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of RCR's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to

investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Sweden

This Prospectus has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the New Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (*Sw. lag (1991:980) om handel med finansiella instrument*). Any offering of New Shares in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this Prospectus and they may not distribute it or the information contained in it to any other person.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering material relating to the New Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 *et seqq.* of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this Prospectus nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This Prospectus is personal to the recipient and not for general circulation in Switzerland.

United Arab Emirates

Neither this Prospectus nor the New Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has RCR received authorization or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the New Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This Prospectus does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the New Shares, including the receipt of applications and/or the allotment or redemption of New Shares, may be rendered within the United Arab Emirates by RCR.

No offer or invitation to subscribe for New Shares is valid in, or permitted from any person in, the Dubai International Financial Centre.

United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within

the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the New Shares.

This Prospectus is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to RCR.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

United States

This Prospectus, the investor presentation, any accompanying ASX announcements relating to the Entitlement Offer and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person holds ordinary shares in RCR and is acting for the account or benefit of a person in the United States).

The New Shares and the Entitlements have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares and the Entitlements may not be offered, sold, resold or otherwise transferred, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold ordinary shares in RCR and are acting for the account or benefit of a person in the United States).

11.16 ASIC and ASX Waivers

RCR has not obtained any ASIC relief or waivers from ASX from the application of the Listing Rules in connection with the Entitlement Offer.

12 Glossary

Term	Definition
AASB 15	The new accounting standard issued by AASB called ‘AASB 15 - Revenue from Contracts with Customers’
Allotment Date	26 September 2018
Applicable Law	All laws of jurisdictions applicable to the Entitlement Offer and/or RCR within or outside Australia, including the Listing Rules and applicable policies, guidelines, official directives, class orders or requests of or by any Government Agency, whether or not having the force of law, except to the extent compliance is duly modified, waived or exempted in favour of a person in the relevant circumstances
Applicant	A Shareholder who submit valid application(s) for New Shares pursuant to this Prospectus.
Application Monies	Monies received from Applicants in respect of their application for New Shares.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the securities exchange operated by it (as the case requires).
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	The operating rules of ASX Settlement, and to the extent they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 01 314 503).
ATO	The Australian Taxation Office.
Australian Accounting Standards	The Australian International Financial Reporting Standards, as issued by the Australian Accounting Standards Board.
Australian Auditing Standards	The Australian Auditing Standards issues by the Australian Auditing and Assurance Standards Board.
Board	The board of directors of RCR from time to time.
BPAY®	BPAY Pty Limited (ABN 69 079 137 518).
Business Day	A day on which ASX is open for trading in securities; and banks are open for general banking business, in Sydney, New South Wales.
Constitution	The constitution of RCR, as amended from time to time.
CGT	Capital gains tax.

Term	Definition
CHESS	Clearing House Electronic Subregister System operated by ASX Settlement.
Corporations Act	<i>Corporations Act 2001 (Cth).</i>
Director	A member of the Board from time to time.
EBIT	Earnings before interest expense and income tax.
EBITDA	Earnings before interest expense, income tax, depreciation and amortisation.
Eligible Institutional Shareholder	A Shareholder as at the Record Date who is an Institutional Investor who the Underwriter determines may receive an offer on behalf of RCR under the Institutional Entitlement Offer provided that the Shareholder is outside the United States, it is only an Eligible Institutional Shareholder if its buy order is originated outside the United States and constitutes an “offshore transaction” within the meaning of Regulation S.
Eligible Retail Shareholder	A Shareholder at the Record Date who: has a registered address in Australia or New Zealand; is not an Eligible Institutional Shareholder; is not an Ineligible Institutional Shareholder; and is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such a person holds ordinary shares in RCR and is acting for the account or benefit or person in the United States).
Eligible Shareholder	A person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder.
Entitlement	The number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 1.65 Existing Shares held as at the Record Date, subject to rounding up and to the terms of the Entitlement Offer.
Entitlement and Acceptance Form	The entitlement and acceptance form either attached to or accompanying this Prospectus.
Entitlement Offer	The entitlement offer comprising the Institutional Entitlement Offer and the Retail Entitlement Offer.
Entitlement Offer Materials	Each of the following documents: the Prospectus; the materials lodged with ASX in relation to the Entitlement Offer; any Entitlement and Acceptance Form; the institutional confirmation letters and all other communications with Ineligible Retail Shareholders, Ineligible Institutional Shareholders, Eligible Shareholder, and nominees, including the form of the securityholding declaration forms each approved or authorised by RCR in connection with the Entitlement Offer; and any supplement or amendment to, or replacement of, the materials referred to in paragraphs (a) to (d).

Term	Definition
Entitlement Offer Period	The period from the date of this Prospectus until (and including) the Retail Closing Date.
EPC	Engineering, procurement and construction.
Executive Management	Bruce James, Andrew Phipps and Conal McCullough.
Existing Share	A Share on issue at the Record Date.
Facility Agent	Commonwealth Bank of Australia (ABN 48 123 123 124).
Facility Agreement	the SFA and the MOFA.
Facility Security Trustee	CBA Corporate Services (NSW) Pty Ltd (ABN 25 072 765 434).
Financier Support Letters	The: SFA Support Letter between RCR, Commonwealth Bank of Australia (as Facility Agent) and CBA Corporate Services (NSW) Pty Limited (as Facility Security Trustee) dated 5 August 2018 as amended from time to time, including on 20 August 2018; and MOFA Support Letter between RCR and Commonwealth Bank of Australia as financer) dated 5 August 2018 as amended from time to time, including on 20 August 2018.
FY17	The financial year ending 30 June 2017.
FY18	The financial year ending 30 June 2018.
FY19	The financial year ending 30 June 2019.
FY18 Audited Financial Report	RCR's audited financial report for the year ending 30 June 2018 which were lodged with ASIC and ASX on 28 August 2018.
Governmental Agency	Any government or any government department or governmental agency including without limitation any semi-governmental, administrative, fiscal, judicial, investigative, review or regulatory body, department, commission (including ASIC, ATO, ACCC), authority, tribunal, agency, stock exchange (including the ASX) or entity in any jurisdiction relevant to the Offer, RCR or the RCR Group.
GST	The goods and services tax imposed under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Historical Financial Information	Has the meaning given in section 5.2
IFRS	International Financial Reporting Standards.
Independent	Deloitte Touche Tohmatsu.

Term	Definition
Auditor	
Ineligible Institutional Shareholder	An Institutional Investor who is a Shareholder on the Record Date who do not satisfy the criteria to be an Eligible Institutional Shareholder.
Ineligible Retail Shareholder	A Retail Shareholder who is a Shareholder on the Record Date who do not satisfy the criteria to be an Eligible Retail Shareholder.
Institutional Entitlement	The number of New Shares for which an Eligible Institutional Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 1.65 Existing Shares held as at the Record Date, subject to rounding up and to the terms of the Entitlement Offer.
Institutional Entitlement Offer	The offer of New Shares to Eligible Institutional Shareholders as described in section 2.1.
Institutional Investor	A person who the Underwriter reasonably believe to be a person: if in Australia, who is an "exempt investor" as defined in ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84; in any other case, to whom offers for issue of New Shares may lawfully be made in a Permitted Jurisdiction without any other lodgement, registration or approval with or by a Governmental Agency (other than one with which RCR is willing to comply), provided that such a person is not in the United States or acting for the account or benefit of a person in the United States.
Institutional Offer Proceeds	The proceeds received under the Institutional Entitlement Offer.
Institutional Shortfall Bookbuild	The bookbuild conducted in connection with the Entitlement Offer, being in respect of the Institutional Entitlement Offer, as described in section 2.1.
Investigating Accountant	Deloitte Corporate Finance Pty Limited (ABN 19 003 833 127)
Lead Manager	Macquarie Capital.
Listing Rules	The listing rules of ASX as amended or varied from time to time.
Macquarie Capital	Macquarie Capital (Australia) Limited (ABN 79 123 199 548).
MOFA	The Multi-Option Facility Agreement dated 11 July 2013 between, among others, RCR and Facility Agent as amended from time to time, including as amended and restated on or around 23 April 2018.
MWac	Megawatt output.
Net Debt	Total debt less cash equivalents.
New Shares	The Shares offered under the Entitlement Offer, including any Top-Up Shares which are issued in connection with the Offer.

Term	Definition
NSP	Network service provider.
Nominee	The nominee appointed by RCR for ineligible shareholders to subscribe for the New Shares which would otherwise have been available for subscription by ineligible shareholders had they been eligible to participate in the Entitlement Offer.
O&M	Operation and maintenance
Offer Price	A\$1.00 per New Share.
Order Book	The Order Book includes amounts expected or anticipated under contracts, current work programs, maintenance arrangements and framework arrangements. The Order Book includes amounts which cover multiple financial periods. Accordingly, RCR's Order Book at any particular date remains subject to change and is therefore an uncertain indicator of future earnings.
Permitted Jurisdictions	Hong Kong, Ireland, Luxembourg, New Zealand, Norway, Singapore, Sweden, Switzerland, United Arab Emirates, United Kingdom and New Zealand.
Preferred Contractor Status	The tenders for which RCR has received notice that it is the preferred contractor for the particular project. It also encompasses circumstances where RCR has been engaged under an early contractor involvement contract.
Pro forma Historical Financial Information	The meaning given to it in section 5.2.
Project	The construction of the Solar Farms, pursuant to a fixed price EPC contract.
Prospectus	This prospectus dated 28 August 2018.
RCR	RCR Tomlinson Limited (ABN 81 008 898 486).
RCR Entitlement Offer Information Line	1300 155 608 (within Australia) and +61 3 9415 4035 (outside Australia).
RCR Group	RCR and its subsidiaries (as defined in the Corporations Act).
Record Date	The time and date for determining which Shareholders are entitled to the Entitlement, being 7.00pm (Sydney time) on 30 August 2018.
Related Body Corporate	Has the same meaning as in section 50 of the Corporations Act.
Retail Closing Date	5.00pm (Sydney time) on 19 September 2018, being the latest time and day by which completed Entitlement and Acceptance Forms and BPAY® payments of Application Monies will be accepted (subject to variation).
Retail Entitlement	The Entitlements allotted under the Retail Entitlement Offer.

Term	Definition
Retail Entitlement Offer	The offer under this Prospectus of New Shares to Eligible Retail Shareholders under the Entitlement Offer, as described in section 2.1.8.
SFA	The Syndicated Facility Agreement dated 11 July 2013 between, among others, RCR, the Facility Agent and the Facility Security Trustee, as amended from time to time, including as amended and restated on or around 12 December 2017
Shares	A fully paid ordinary share in the capital of RCR.
Shareholder	A holder of one or more Shares.
Share Registry	Computershare Investors Services Pty Limited (ABN 48 078 279 277)
Shares or RCR Shares	The fully paid ordinary shares in RCR.
Solar Farms	The 150MWac Daydream Solar Farm and the 50MWac Hayman Solar Farm.
Sub-Underwriting Agreement	The underwriting agreement entered into between the Underwriter and any relevant sub-underwriters.
Supplementary Prospectus	Any supplementary or replacement prospectus prepared or required to be prepared and lodged by RCR with ASIC under section 719 of the Corporations Act in connection with the Entitlement Offer.
Support Period	The date between the date of the Financier Support Letters and the earlier of: 5 November 2018 (or such a date as agreed by the majority financiers under the SFA); the Facility Agent terminates the Financier Support Letters for an event of default under the SFA (other than any change to the RCR Group's EBITDA relating to the cost overruns); or RCR fails to comply with its obligations under the Financier Support Letters or an insolvency event occurs.
Statutory Historical Financial Information	The meaning given to it in section 5.2.
Top-Up Shares	Has the meaning given to it in section 2.1.17.
Treasury Management Policy	RCR's Treasury Management Policy implemented for managing the risks associated with treasury activities within RCR.
Underlying EBIT	Derived from statutory profit after excludes discontinued operations and non-recurring costs such as: restructuring costs, legacy legal and claims costs, transaction costs and capital management initiatives.

Term	Definition
Underwriter	Macquarie Capital.
Underwriting Agreement	Has the meaning given to it in section 11.4.

13 Corporate Directory

RCR Tomlinson Ltd

ABN 81 008 898 486

Level 23, Gateway, 1 Macquarie Place

Sydney, NSW, 2000

Australia

RCR Entitlement Offer Information Line

1300 155 608 (within Australia)

+61 3 9415 4035 (outside Australia)

Open between 8.30am to 5.00pm (Sydney time) Monday to Friday

RCR Share Registry

Computershare Investors Services Pty Limited

GPO Box 505

Melbourne VIC 3001

Underwriter to the Entitlement Offer

Macquarie Capital Australia

(ABN 79 123 199 548)

50 Martin Place

Sydney, NSW, 2000

Australian Legal Adviser

King and Wood Mallesons

Level 61, Governor Phillip Tower, 1 Farrer Place

Sydney, NSW, 2000

Investigating Accountant

Deloitte Corporate Finance Pty Limited

(ABN 19 003 833 127)

225 George Street

Sydney NSW 2000

For personal use only



Registered Office

RCR Tomlinson Limited
ABN 81 008 898 486

Level 23, Gateway

1 Macquarie Place
Sydney, NSW 2000
Phone: +61 2 8413 3000
Fax: +61 2 9794 3766

enquiries@rcrtom.com.au

www.rcrtom.com.au

 Follow us on
www.linkedin.com/company/rcr-tomlinson

E. I. ENGINEERING INTELLIGENCE.

That's what we do.

RCR
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

For all enquiries:



Phone:
(within Australia) 1300 155 608
(outside Australia) +61 3 9415 4035



Web:
www.investorcentre.com/contact

Make your payment:



See overleaf for details of the Offer and
how to make your payment

Non-Renounceable Rights Issue — Entitlement and Acceptance Form

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Your payment must be received by 5:00pm (AEST) Wednesday 19 September 2018

As an Eligible Shareholder, you are entitled to acquire 1 New Share for every 1.65 existing Shares you held on 30 August 2018 (Record Date) at an Offer Price of \$1.00 per New Share. Each New Share is a new fully paid ordinary share in the capital of RCR Tomlinson Limited.

This Offer is being made under a prospectus issued by RCR Tomlinson Limited dated 28 August 2018 (Prospectus). Before applying for New Shares, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

The Prospectus will expire 13 months after the date of the Prospectus. Whilst the Prospectus is current, RCR will send paper copies of the Prospectus, any supplementary documentation and the Entitlement and Acceptance Form free of charge on request to Eligible Shareholders.

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

The Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia or New Zealand. In particular, the Offer is not being made to any person in the United States or to any person who is acting for the account or benefit of any person in the United States. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. By applying for New Shares, you represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States and that applying for New Shares does not breach any law in any relevant jurisdiction outside Australia or New Zealand.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Prospectus dated 28 August 2018.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**RCR Tomlinson Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

RCR Tomlinson Limited Non-Renounceable Rights Issue

Payment must be received by 5:00pm (AEST) Wednesday 19 September 2018

Entitlement and Acceptance Form

X 999999999

I ND

STEP 1

Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

 For your security keep your SRN/
HIN confidential.

Entitlement No: 12345678

Offer Details:

Existing shares entitled to participate as at
5:00pm (AEST) Thursday 30 August 2018:

Entitlement to New Shares
on a 1 for 1.65 basis:

Amount payable on full acceptance
at \$1.00 per New Share:

STEP 2

Make Your Payment

Biller Code: 9999999
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your payment from your cheque or savings account.

Acceptance of Entitlement Offer

By either returning the Entitlement and Acceptance form with payment to the Share Registry, or by making a payment using BPAY:

- You declare you have received a copy of the Prospectus issued by RCR and you are eligible to participate in the offer.
- You represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters and make the representations and warranties set out in Section 11.8 of the Prospectus.
- You provide authorisation to be registered as the holder of the New Shares acquired by you and agree to be bound by the Constitution of RCR Tomlinson Limited.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEST) Wednesday 19 September 2018. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor RCR Tomlinson Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEST) Wednesday 19 September 2018. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor RCR Tomlinson Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuers administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com.au>.

Detach here

RCR Tomlinson Limited Acceptance Payment Details

Entitlement taken up:

<input type="text"/>						
----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------



Amount enclosed at \$1.00 per
New Share:

A\$.

Entitlement No: 12345678

Payment must be received by 5:00pm (AEST) Wednesday 19 September 2018

Contact Details

Contact

Name _____

Daytime

Telephone _____

Cheque Details

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

<input type="text"/>				
----------------------	----------------------	----------------------	----------------------	----------------------

A\$