

MinterEllison

To ASX Market Announcements, Melbourne

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Subject Press release - Jangho Group announces takeover offer for Vision Eye Institute

Dear Sir/Madam,

We act for Jangho Group Co., Ltd (**Jangho**).

On behalf of Jangho, we attach a press release in relation to Jangho Group's takeover offer for Vision Eye Institute Limited (ASX:VEI).

Yours faithfully



Ben Liu
Partner



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PRESS RELEASE

For immediate release

ASX ANNOUNCEMENT

JANGHO GROUP ANNOUNCES TAKEOVER OFFER FOR VISION EYE INSTITUTE

VISION EYE INSTITUTE BOARD UNANIMOUSLY RECOMMENDS ACCEPTANCE

(Thursday, 13 August 2015) – Jangho Group Co., Ltd. (**Jangho**) today announced that it has entered into a takeover bid implementation deed (**Implementation Deed**) with Vision Eye Institute Limited (**Vision**), under which Jangho has agreed to make an all cash off-market takeover offer for Vision (**Jangho Offer** or **Offer**). Jango will offer \$1.10 cash per share¹ for all the fully paid ordinary voting shares in Vision on issue (**Vision Shares**) before the end of the offer period, other than those Vision Shares that Jangho already holds (representing approximately 19.99% of all Vision Shares presently on issue).

Board recommendation

The Jangho Offer is unanimously recommended by the Vision Board: all Vision directors, including all director executive directors and non-executive directors, recommend that Vision shareholders accept the Offer, in the absence of a superior proposal.

Each Vision director intends to accept the Offer for all Vision Shares they hold or otherwise control, in the absence of a superior proposal.

Why the Offer is compelling for Vision shareholders

Jangho believes that its Offer is highly compelling for Vision shareholders. The Offer price of \$1.10 cash per share represents:

- a premium of 62% to the closing price of Vision Shares on 3 July 2015, being the last trading day before Pulse Health Limited (**Pulse**) announced its unsolicited 'all scrip' takeover offer for Vision (**Pulse Offer**); and
- a premium of 25% to the implied value of the Pulse Offer of \$0.88 per Vision Share, reflecting the 5-day volume weighted average price of Pulse Shares to 3 July 2015, being the last trading day before the Pulse Offer was announced.

The Offer price of \$1.10 cash per share is also well within the valuation range of \$1.04 to \$1.18 arrived at by Lonergan Edwards, the independent expert retained by Vision to prepare a report in response to the Pulse Offer.

The Offer is subject to only minimal conditions including a minimum acceptance condition of greater than 50% of Vision Shares. The full terms and conditions of the Offer are set out in Annexure A.

¹ The Offer price of \$1.10 cash will be reduced by the per share amount of any dividends declared or paid by Vision after the date of this announcement.

The Offer is not subject to any funding condition or any regulatory approvals, including FIRB. Jangho will fund the payment of the Offer consideration from a combination of internal resources, draw down under existing debt facilities and possibly also new debt facilities. Full details of Jangho's funding arrangements (including the precise funding mix) will be provided in its Bidder's Statement.

Superior to Pulse Offer

Jangho believes that its Offer is superior to the Pulse Offer on a number of criteria:

- Jangho is offering Vision shareholders a materially higher headline offer price;
- Jangho is offering Vision shareholders the certainty of 100% cash for their shares, as opposed to the risks and uncertainties of receiving Pulse shares; and
- the Jangho Offer is subject to fewer, less onerous, conditions than the Pulse Offer.

Why the Jangho Offer makes sense for Vision

In addition to being highly compelling for Vision shareholders, Jangho believes that its Offer represents an exciting opportunity for Vision, its doctor partners and associates, its employees and other stakeholders.

Subject to completing a full review of the business operations of Vision, Jangho's present intention (whether Vision becomes wholly or partly owned by Jangho) is to:

- not make any major changes to Vision's existing business and to continue to support the medically represented Board of Vision;
- maintain the existing management team - Jangho notes that Vision is well advanced with its CEO appointment process. Vision will continue to keep Jangho updated on this process, with Jangho providing its input and support to ensure the new CEO has confidence in Vision's growth plan;
- continue the employment of the present employees of Vision, including each doctor engaged by Vision and provide its support as Vision seeks to grow the number of doctors engaged in its business; and
- provide a strong financial platform for Vision in Australia and, with Jangho's reputation and resources in Asia, provide Vision with the opportunities to expand its leading reputation and highly credentialed team into those markets over time.

Who is Jangho and what is its strategy for Vision?

Jangho is one of the largest curtain wall manufacturers in the world, and is listed on the Shanghai Stock Exchange. Since listing, Jangho has expanded its interior decoration and designing business through acquisitions. Despite not currently being in the healthcare industry, Jangho is looking to diversify into healthcare as it believes there are significant opportunities to further develop the Australian and Chinese healthcare industry.

Jangho's strategy in relation to Australian healthcare is to acquire, invest in, and set up strategic alliances with Australia's leading medical and health companies (with a focus on listed companies), including further investment in those companies to assist in expansion. Subsequent to this, Jangho will seek to introduce certain of Australia's leading medical service concepts, skills and models into the Chinese market. Jangho believes that these Australian models will be well received in the Chinese market.

Jangho has conducted significant research on Australian publicly listed healthcare companies (through various publicly available information), and has concluded that the ophthalmology industry has significant potential for growth and Jangho sees a great opportunity for Vision to further develop its business.

Commenting on the Offer, Jangho's Chairman Mr Zai Wang Liu said:

"Jangho is delighted to be making this recommended offer for Vision, Australia's largest ophthalmology practice. Jangho believes that Vision's business has abundant experience and speciality in eye care treatment - an area that Jangho considers has significant potential for growth both in Australia and China. Jangho is excited by the opportunity to further develop Vision's successful business and to work with Vision's committed management team and high calibre doctors."

Implementation Deed

Under the Implementation Deed, Jangho will make an off-market takeover offer for Vision on agreed terms and conditions which are set out in full in Annexure A.

Vision has agreed to certain exclusivity restrictions that restrict it from soliciting any competing proposals from, entering into discussions with, or providing due diligence material to, any competing bidder. Vision has agreed to pay Jangho a break fee of \$2.0 million (inclusive of GST) if the Vision Board changes its recommendation of the Jangho Offer or if a competing proposal is successfully completed within 6 months of it being publicly announced. A full copy of the executed Implementation Deed accompanies the release made by Vision to ASX dated 13 August 2015.

Timing

Jangho expects to be in a position shortly to lodge its Bidder's Statement with ASIC and then dispatch it to Vision shareholders.

The Oaktower Partnership Pty Limited is acting as financial adviser and Minter Ellison as legal adviser to Jangho in relation to its Offer.

For media enquiries, please contact:

Wang Peng

Company Secretary

Jangho Group Co., Ltd

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Email: wangpeng@jangho.com

About Jangho

Jangho is listed on the Main Board A of the Shanghai Stock Exchange (Stock Code: 601886). Jangho was established in 1999. Headquartered in Beijing, Jangho Group is a large-scale multinational enterprise of facade solutions which integrates R&D, engineering and design expertise, precision manufacturing, installation, consultancy, and product export for domestic and foreign markets. Jangho is in the top 500 Public Listed Enterprise and the top 500 Private Owned Enterprise in China. Jangho is actively participating in exploring new industries with focus on online business platforms, medical and health as well as PPP projects.

About Vision

Vision is Australia's largest provider of ophthalmic care, diagnosing and treating people with eye disorders and diseases. Vision provides services to doctor partners, associates, and visiting surgeons, offering a broad range of services including specialist eye care in the areas of corneal surgery, refractive surgery, cataract surgery, ocular plastics, glaucoma treatment and surgery, vitreo-retinal surgery, and treatment for macular degeneration. Vision is a public company listed on the Australian Securities Exchange (ASX Code: VEI).

Annexure A – Offer terms and conditions

ANNEXURE A: GENERAL OUTLINE OF THE OFFER

Offer

1. Offer for Shares

The Jangho Offer is an offer to acquire all Vision fully paid ordinary voting share on issue (**Vision Shares**) before the end of the Offer Period (including all attaching Rights), other than the Vision Shares that Jangho already holds.

Each Vision Shareholder may only elect to accept the Offer for all of their Vision Shares.

The Jangho Offer will extend to all Vision Shares that are on issue before the end of the Offer Period including, subject to Jangho obtaining a modification to section 617(2) of the Corporations Act (to the extent that the modification is required), all new Vision Shares that are issued during the Offer Period under or as a result of the conversion of any Vision Non-Voting Shares in existence as at the Announcement Date into Vision Shares as a result of their relevant voluntary escrow period lapsing.

2. Price

Under the Jangho Offer, Vision Shareholders will receive \$1.10 in cash for each Vision Share.

The Offer Price will be reduced by the per Share amount of all Rights attaching to or arising from Vision Shares (including all dividends, and all rights to receive them) which are declared or paid by Vision after the Announcement Date.

3. Offer Period

The Offer will remain open for an initial period of not less than one month and will be subject to Jangho's right to extend the period in its absolute discretion in a way permitted by the Corporations Act provided that the Offer Period does not exceed six months in total from the initial commencement of the Offer Period (unless Vision and Jangho otherwise agree).

4. Bidder

The Offer may be made by either Jangho or one of its wholly owned Subsidiary.

5. Offer Conditions

5.1 No regulatory actions

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) no preliminary or final decision, order or decree issued by a Regulatory Authority is in effect;
- (b) no action or investigation is announced, commenced or threatened by any Regulatory Authority; and
- (c) no application is made to any Regulatory Authority (other than by Jangho or any of its Associates),

(other than an application to, or decision of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act in consequence of or in connection with the Offer) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially adversely impacts on (or is reasonably likely to restrain, prohibit or impede or materially adversely impact on) the making or completion of the Offer, the acquisition of any Vision Shares under the Offer or the rights of Jangho in respect of Vision or any Vision Shares.

5.2 Minimum acceptance

During or by the end of the Offer Period Jangho has a Relevant Interest in greater than 50% of the Vision Shares on a fully diluted basis.

5.3 No Prescribed Occurrences

Between the period from the Announcement Date and before the end of the Offer Period (each inclusive), no Prescribed Occurrence occurs.

5.4 No Material Adverse Change

Between the Announcement Date and the end of the Offer Period (each inclusive), no Material Adverse Change occurs.

5.5 No material acquisitions, disposals or new commitments

Between the Announcement Date and the end of the Offer Period (each inclusive), (other than Permitted Actions or as disclosed in writing to Jangho before the Announcement Date or as disclosed in a public filing with ASX before the Announcement Date) no member of the Vision Group:

- (a) **(no material acquisitions)** acquires, offers to acquire, agrees to acquire or announces an intention to acquire, one or more shares, companies, businesses, properties or assets (or an interest in one or more shares, companies, businesses, properties or assets), other than in the ordinary course of business, the total consideration for which, either individually exceeds \$4 million or in aggregate exceeds \$6 million;
- (b) **(no material disposals)** disposes of, offers to dispose of, agrees to dispose of or announces an intention to dispose of, one or more shares, companies, businesses, properties or assets (or an interest in one or more shares, companies, businesses, properties or assets), other than in the ordinary course of business, for an amount, or for which the book value (as recorded in Vision's statement of financial position as at 31 December 2014) is, either individually greater than \$4 million or in aggregate, greater than \$6 million; or
- (c) **(no material commitments)** enters into, offers to enter into, or announces an intention to enter into, any agreement, lease, joint venture, partnership, management agreement, arrangement or commitment which would require expenditure other than in the ordinary course of business, or the foregoing of revenue, by any member(s) of the Vision Group of an amount or value which, in aggregate, exceeds either \$4 million (for each separate agreement, lease, joint venture, partnership, management agreement, arrangement or commitment) or \$6 million in aggregate.

5.6 No distributions

Between the Announcement Date and the end of the Offer Period (each inclusive), (other than Permitted Actions), Vision does not declare, determine as payable or pay a distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

5.7 Conduct of Vision's business

Between the Announcement Date and the end of the Offer Period (each inclusive) and other than Permitted Actions, no member of the Vision Group:

- (a) **(no entry into new contract of service)** enters, or agrees to enter, into any contract of service for the appointment of a director or senior manager, other than in the ordinary course of business;
- (b) **(no change in existing contract of service)** varies, or agrees to vary any existing contract of service with any director or senior manager, including making or agreeing to make any substantial change in the basis or amount of remuneration of any director or senior manager (except as required by law or in the ordinary course of business);

(c) **(no material contracts)** enter into, amends in a material respect, terminates or waives or otherwise forgoes any material rights under any agreement, arrangement or understanding to which Vision or any Subsidiary of Vision is a party that is material to the business or operation of Vision or any Subsidiary of Vision, other than in the ordinary course of business; or

(d) **(no new indebtedness)** other than in the ordinary course of business:

- (i) borrows any money or incurs new financial indebtedness (or agrees to do so); or
- (ii) enters into any guarantee or indemnity on behalf of, or provides security for the obligations of, any person or (agrees to do so).

5.8 Vision Performance Rights

Between the Announcement Date and the end of the Offer Period (each inclusive), no Vision Performance Rights are granted or issued.

6. Defined Terms

Terms used in this document have the meaning (if any) given to them in Chapter 6 of the Corporations Act unless that meaning is inconsistent with the context in which the term is used.

\$, \$A and AUD	Australian dollars
Announcement Date	the date the Offer was announced, being 13 August 2015.
ASIC	Australian Securities and Investments Commission
Associate	has the meaning given in section 12 of the Corporations Act
ASX	ASX Limited ACN 008 624 691 or, as the context requires or permits, the financial market known as the Australian Securities Exchange operated by it
Bid Implementation Deed	the bid implementation deed between Vision Eye Institute Limited and Jangho Group Co., Ltd dated 13 August 2015
Corporations Act	the Australian <i>Corporations Act 2001</i> (Cth)
Current Pulse Offer	the off market takeover bid announced by Pulse Health Limited on 6 July 2015 offering 1.60 fully paid ordinary shares of Pulse Health Limited for each Vision Share, as more fully set out in its replacement bidder's statement dated 17 July 2015
Disclosed	means fairly disclosed in sufficient detail so as to enable a buyer with experience in the healthcare industry or any of its representatives to reasonably be able to identify the nature, scope and significance of the relevant matter, event or circumstance
Jangho	Jangho Group Co., Ltd. or a wholly owned Subsidiary
Material Adverse Change	<p>means one or more events, matters, changes or circumstances, including any litigation or dispute, which (individually or when aggregated) have or could reasonably be expected to have, a material adverse effect on the business, financial or trading position, assets or liabilities, profitability or prospects of Vision or any of its Subsidiaries (taken as a whole), including any one or more events, matters, changes or circumstances which have had, or could reasonably be expected to have, the effect of:</p> <ul style="list-style-type: none"> (a) diminishing the net assets of Vision Group by \$10 million or more; or (b) diminishing the future recurring profit before income tax of the Vision Group by at least \$2.6 million per year, <p>other than:</p> <ul style="list-style-type: none"> (c) any event, matter, change or circumstance arising from actions taken by the Vision Group with the prior written consent of Jangho, that consent not to be unreasonably withheld or delayed; (d) any event, matter, change or circumstance that is a Permitted Action; (e) any event, matter, change or circumstance Disclosed to Jangho before the date of the Bid Implementation Deed (or which ought reasonably

	<p>have been expected to arise from an event, matter, change or circumstance which was so Disclosed);</p> <p>(f) any event, matter, change or circumstance resulting from the change of control contemplated by the Takeover Bid;</p> <p>(g) any event, matter, change or circumstance Disclosed in public filings by a member of the Vision Group to ASX or ASIC before the date of the Bid Implementation Deed; and</p> <p>(h) any event, matter, change or circumstance in or relating to:</p> <p>(i) economic, business, regulatory or political conditions in general;</p> <p>(ii) credit, financial or currency markets in general or the state of the securities markets in general (including any reduction in market indices);</p> <p>(iii) any change affecting the healthcare industry generally and which impacts on the Vision Group and its competitors in a similar manner; or</p> <p>(iv) any change in accounting policy required by law</p>
Offer or Jangho Offer	the takeover offer by Jangho (or its Subsidiary) to acquire Vision Shares under an off market takeover bid under Chapter 6 of the Corporations Act and Offers means each offer made to holders of Vision Shares under the takeover bid, including, in each case, as varied in accordance with the Corporations Act
Offer Period	the period the period that the Offer is open for acceptance
Permitted Actions	<p>the following actions whether taken by Vision or any Subsidiary:</p> <p>(a) the declaration and payment of a fully franked final dividend for the financial year ended 30 June 2015 of up to 2.5 cents per Vision Share foreshadowed by Vision in its ASX announcement date 28 July 2015;</p> <p>(b) the proposed acquisition referred to in section 1.1(a) of Vision's Target Statement dated 4 August 2015 in response to the Current Pulse Offer provided that Vision:</p> <p>(i) keeps Jangho fully informed of, and consults with Jangho on, all material developments and matters relating to the proposed acquisition and has due regard to Jangho's comments; and</p> <p>(ii) invites Jangho or its nominee to attend that part of all Vision board meetings at which the proposed acquisition is discussed</p> <p>(c) the appointment of a Chief Executive Officer on terms and conditions determined by the Vision Board acting reasonably provided that Vision:</p> <p>(i) keeps Jangho fully informed of, and consults with Jangho on, all material developments and matters relating to the proposed appointment of the Chief Executive Officer and has due regard to Jangho's comments; and</p> <p>(ii) invites Jangho or its nominee to attend that part of all Vision board meetings at which the proposed appointment of the</p>

	Chief Executive Officer is discussed
Prescribed Occurrence	<p>any of the following events or occurrences:</p> <ul style="list-style-type: none"> (a) Vision converts all or any of the Vision Shares into a larger or smaller number of shares; (b) Vision or a subsidiary of Vision resolves to reduce its share capital in any way; (c) Vision or a subsidiary of Vision: <ul style="list-style-type: none"> (i) enters into a buy-back agreement; or (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act; (d) Vision or a subsidiary of Vision issues shares, or grants an option over its shares, or agrees to make an issue or grant an option over its shares other than the issue of Vision Shares due to the conversion of any Vision Non-Voting Shares in existence as at the Announcement Date into Vision Shares as a result of their relevant voluntary escrow period lapsing; (e) Vision or a subsidiary of Vision issues, or agrees to issue, convertible notes; (f) Vision or a subsidiary of Vision disposes or agrees to dispose of the whole, or a substantial part, of its business or property (and in the case of any disposal of business or property by a subsidiary, that disposal is material in the context of the Vision Group as a whole); (g) Vision or a subsidiary of Vision grants a security interest, or agrees to grant a security interest in the whole, or a substantial part, of its business or property (and in the case of any security interest granted by a subsidiary, the business or property subject to the security interest is material in the context of the Vision Group as a whole); (h) Vision or a subsidiary of Vision resolves to be wound up; (i) a liquidator or provisional liquidator of Vision or of a subsidiary of Vision is appointed; (j) a court makes an order for the winding up of Vision or of a subsidiary of Vision; (k) an administrator of Vision or a subsidiary of Vision is appointed under section 436A, 436B or 436C of the Corporations Act; (l) Vision or a subsidiary of Vision executes a deed of company arrangement; or (m) a receiver, a receiver and manager, or other controller (as defined in the Corporations Act) is appointed in relation to the whole, or a substantial part, of the property of Vision or of a subsidiary of Vision, <p>provided that that a Prescribed Occurrence will not include any matter that:</p> <ul style="list-style-type: none"> (n) is a Permitted Action; (o) is required to be done or procured by Vision under the Bid Implementation Deed or which is otherwise contemplated by Bid Implementation Deed; or (p) is approved in writing by Jangho, that approval not to be unreasonably withheld or delayed.
Regulatory Authority	<p>means:</p> <ul style="list-style-type: none"> (a) ASIC and ASX; (b) a government or governmental, semi governmental, administrative, fiscal or judicial body in Australia; (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government in Australia; and (d) any regulatory organisation established under statute or the rules of any financial market (as defined in Chapter 7 of the Corporations Act) in Australia

Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act
Rights	Rights means all accretions and rights that accrue to or arise from Vision Shares after the date of the Bid Implementation Deed, including all rights to receive dividends, to receive or subscribe for shares, notes or other securities and all other distributions or entitlements declared, paid, made or issued by Vision after that date, but excluding franking credits attached to a distribution
Subsidiary	has the meaning given in section 9 of the Corporations Act
Takeovers Panel	the Australian Takeovers Panel
Vision	Vision Eye Institute Limited ABN 21 098 890 816
Vision Group	Vision and each of its Subsidiaries
Vision Performance Rights	means any performance rights issued by Vision to eligible employees under the Vision Eye Institute Limited Performance Rights Plan approved by Vision Shareholders at the 2014 Annual General Meeting of Vision held on 21 November 2014 or any substitute or replacement plan
Vision Non-Voting Shares	a fully paid ordinary non-voting share in the capital of Vision
Vision Share	a fully paid ordinary voting share in the capital of Vision
Vision Shareholder	a holder of Vision Shares