

9 September 2015

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Vision Eye Institute Ltd
ABN 21 098 890 816

VISION RELEASES TARGET'S STATEMENT RECOMMENDING JANGHO'S OFFER

Vision Eye Institute Limited (**Vision**) today released its Target's Statement in response to the off-market takeover bid by Jangho Group Co., Ltd (**Jangho**) for all the ordinary voting shares in Vision.

Each Vision director, including all doctor executive directors and non-executive directors, recommends that Vision shareholders **ACCEPT JANGHO'S OFFER**, subject to there being no superior proposal. Each Vision director intends to accept Jangho's offer in respect of the Vision shares they own or control, subject to no superior proposal being received.

Vision's Chairman, Mr Shane Tanner said:

"The Vision Board considers that Jangho's offer represents a highly attractive offer for Vision's shareholders, providing them with a significant premium for their Vision shares, together with immediate value certainty through the all-cash consideration."

"The Vision Board of Directors unanimously recommends Jangho's offer, subject to no superior proposal being received."

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Vision Eye Institute Limited
ABN 21 098 890 816

Target's Statement

issued in response to the off-market takeover offer made by Jangho Group Co., Ltd (**Jangho**), through its wholly owned subsidiary Jangho Health Care Australia Pty Ltd ACN 608 040 802, for all of the ordinary voting shares in Vision Eye Institute Limited (**Vision**)



ACCEPT

Your directors unanimously recommend that you **ACCEPT** the takeover offer from Jangho (subject to there being no superior proposal)

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT,
YOU SHOULD CONTACT YOUR BROKER, FINANCIAL ADVISOR OR LEGAL ADVISOR IMMEDIATELY.

Financial Advisor



BELL POTTER

Legal Advisor



HERBERT
SMITH
FREEHILLS

KEY DATES

Date of Jangho's Offer	14 September 2015
Date of this Target's Statement	9 September 2015
Close of Jangho's Offer Period (unless extended or withdrawn)	7.00pm (Melbourne time) on 21 October 2015

Vision Shareholder information line

Vision has established a shareholder information line which Vision Shareholders may call if they have any queries in relation to Jangho's Offer. The telephone number is 1300 859 277 (for calls made from within Australia) or +61 1300 859 277 (for calls made from outside Australia). Calls to the shareholder information line may be recorded.

Nature of this document

This document is a Target's Statement issued by Vision Eye Institute Limited ABN 21 098 890 816 (**Vision**) under Part 6.5 Division 3 of the Corporations Act in response to the off-market takeover offer made by Jangho Group Co., Ltd (**Jangho**), through its wholly owned subsidiary Jangho Health Care Australia Pty Ltd ACN 608 040 80, for all the ordinary voting shares in Vision.

A copy of this Target's Statement was lodged with ASIC and given to ASX on 9 September 2015. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the content of this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. These terms are explained in section 6.1 of this Target's Statement.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. Your Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Vision operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of Vision, Vision's officers and employees, any persons named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Disclaimer as to information on Jangho

The information on Jangho and Jangho Group contained in this Target's Statement has been prepared by Vision using publicly available information. The information in the Target's Statement concerning Jangho and Jangho Group (and its assets and liabilities, financial position and performance, profits and losses and prospects) has not been independently verified by Vision. Accordingly Vision does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Privacy

Vision has collected your information from the Vision register of shareholders for the purpose of providing you with this Target's Statement. The type of information Vision has collected about you includes your name, contact details and information on your shareholding in Vision. Without this information, Vision would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Vision and external service providers (such as the share registry of Vision and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Vision, please contact Link Market Services Limited at the address shown in the Corporate Directory. Vision's privacy policy is available at <http://www.visioneyeinstitute.com.au>. The registered address of Vision is Level 5, 390 St Kilda Rd Melbourne, VIC 3004.

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Vision Eye Institute Ltd
ABN 21 098 890 816

Letter to Vision Shareholders

9 September 2015

Dear Vision Shareholder,

ACCEPT JANGHO'S TAKEOVER OFFER

On 13 August 2015, Jangho Group Co., Ltd (**Jangho**) announced a takeover offer for Vision at \$1.10 cash per Vision Share (**Jangho's Offer**).

Each of your Directors, including all director executive directors and non-executive directors, recommend that you accept Jangho's Offer, in the absence of a superior proposal. Each of your Directors intends to accept Jangho's Offer in respect of their own Vision Shares, in the absence of a superior proposal.

Jangho's Offer represents a substantial premium of:

- 63% to the closing price of Vision Shares on 3 July 2015, being the business day prior to the announcement of Pulse Health's unsolicited takeover offer (which has now lapsed);
- 65% to the 1 month VWAP of Vision Shares prior to 3 July 2015; and
- 20% to the closing price of Vision Shares on the day prior to the announcement of Jangho's Offer.

Furthermore, the \$1.10 cash amount also falls well within the Independent Expert's valuation range of \$1.04 to \$1.18 per Vision Share.

The Offer Consideration of \$1.10 cash will be reduced by the amount of the FY15 final dividend of 2.5 cents per Vision Share declared on 25 August 2015 and which will be paid to Vision Shareholders who held Vision Shares on the record date of 1 September 2015. Therefore, if you acquired Vision Shares on or after the ex-dividend date of 28 August 2015 and accept the Offer for those Vision Shares, you will be paid \$1.075 for each Vision Share (assuming the conditions to the Offer are satisfied or waived).

As an all-cash offer subject only to limited conditions, Jangho's Offer also provides immediate value certainty for Vision Shareholders.

In considering whether to accept Jangho's Offer, your Directors encourage you to:

- read the whole of this Target's Statement and Jangho's Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- consider obtaining independent financial and taxation advice from your broker or financial adviser.

To accept Jangho's Offer, you should carefully follow the instructions in the Bidder's Statement and complete the Acceptance Form enclosed with the Bidder's Statement. The Offer is due to close at 7.00pm (Melbourne time) on 21 October 2015, unless extended or withdrawn.

If you have any questions or require assistance please call the shareholder information line on 1300 859 277 (for calls made from within Australia) or +61 1300 859 277 Monday to Friday between 8:30am and 5:30pm (Melbourne time).

Yours sincerely

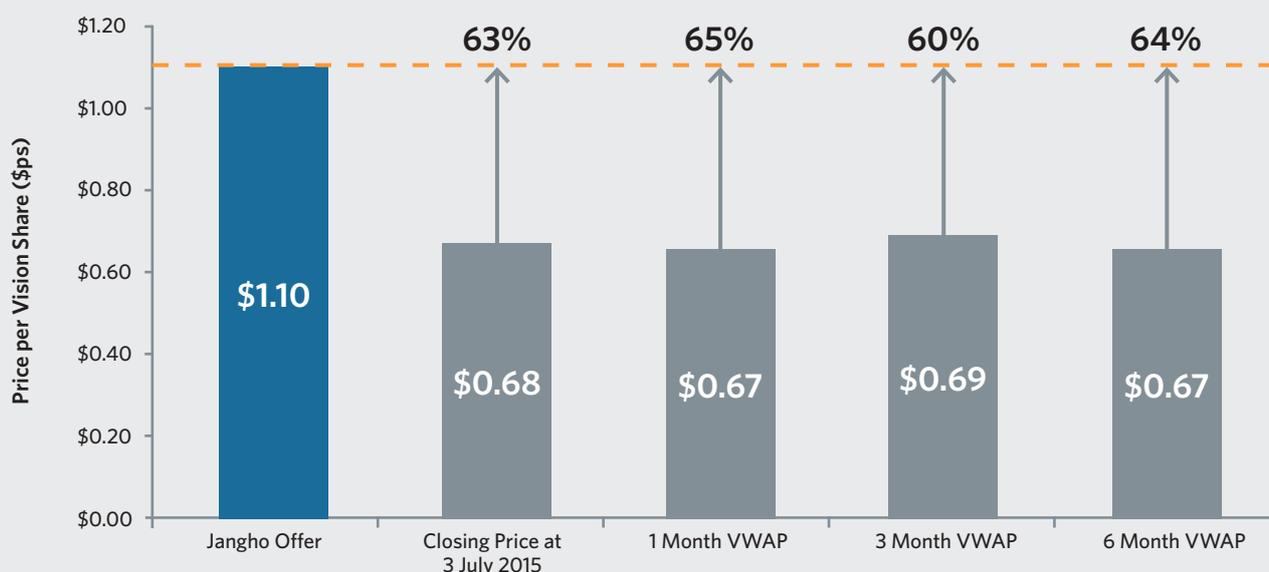
Shane Tanner
Chairman

1. Why you should **ACCEPT** Jangho's Offer

JANGHO'S OFFER REPRESENTS A SIGNIFICANT PREMIUM FOR VISION SHAREHOLDERS

Jangho's Offer of \$1.10 cash per Vision Share represents a significant premium of:

- 63% to the closing price of Vision Shares on 3 July 2015, being the business day prior to the announcement of Pulse's Offer;
- 65% increase to the 1 month VWAP of Vision Shares prior to 3 July 2015;
- 60% increase to the 3 month VWAP of Vision Shares prior to 3 July 2015; and
- 64% increase to the 6 month VWAP of Vision Shares prior to 3 July 2015.



Source: IRESS

JANGHO'S OFFER PROVIDES VISION SHAREHOLDERS WITH THE CERTAINTY OF CASH

Jangho's Offer is to acquire your Vision Shares for 100% cash. Jangho's all-cash Offer provides immediate value certainty for Vision Shareholders.

Subject to Jangho's Offer becoming unconditional, you will:

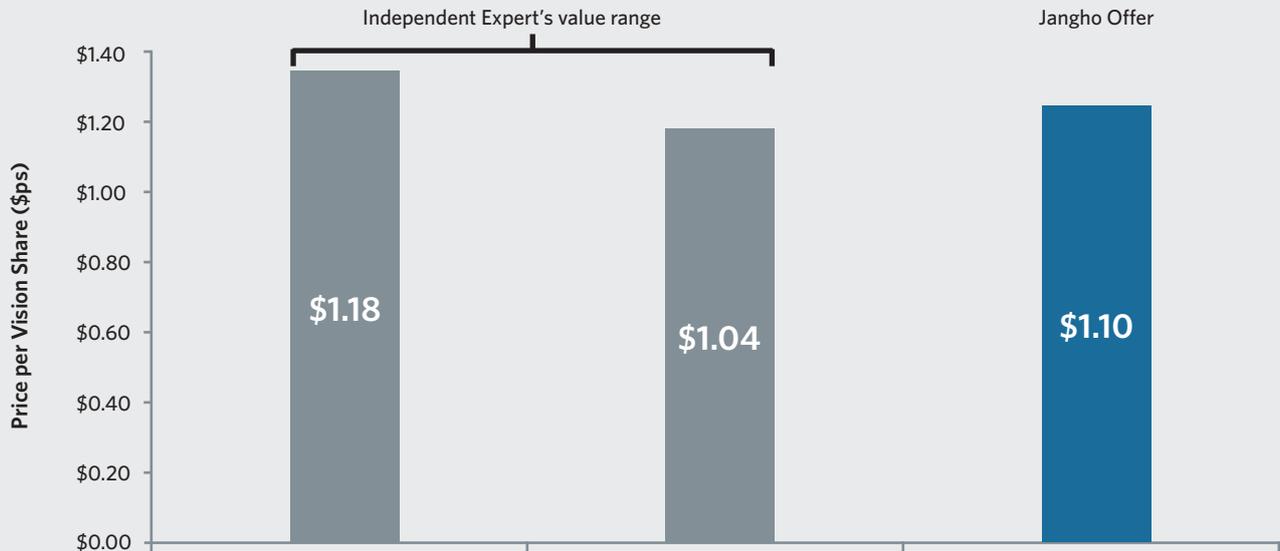
- receive \$1.10 cash per Vision Share¹;
- not incur any brokerage fees, which would likely occur if you were to sell your shares on market; and
- receive your cash consideration on the earlier of within one month after Jangho's Offer becomes or is declared unconditional, or within 21 days after the end of the Offer Period.

1. The Offer consideration of \$1.10 cash will be reduced by the amount of the FY15 final dividend of 2.5 cents per Vision Share declared on 25 August 2015 and which will be paid to Vision Shareholders who held Vision Shares on the record date of 1 September 2015. Therefore, if you acquired Vision Shares on or after the ex-dividend date of 28 August 2015 and accept the Offer for those Vision Shares, you will be paid \$1.075 for each Vision Share (assuming the conditions to the Offer are satisfied or waived).

JANGHO'S OFFER IS WITHIN THE INDEPENDENT EXPERT'S VALUATION RANGE

Loneragan Edwards & Associates Limited is the Independent Expert engaged by your Directors in connection with the earlier takeover offer from Pulse (which preceded Jangho's Offer and has now lapsed). The Independent Expert assessed the value of your Vision Shares as being between \$1.04 and \$1.18 per share.

Jangho's Offer Consideration of \$1.10 cash falls well within this range, and your Directors consider the Offer Consideration to be fair value for your Vision Shares and therefore recommend that Vision Shareholders accept Jangho's Offer, in the absence of a superior proposal.



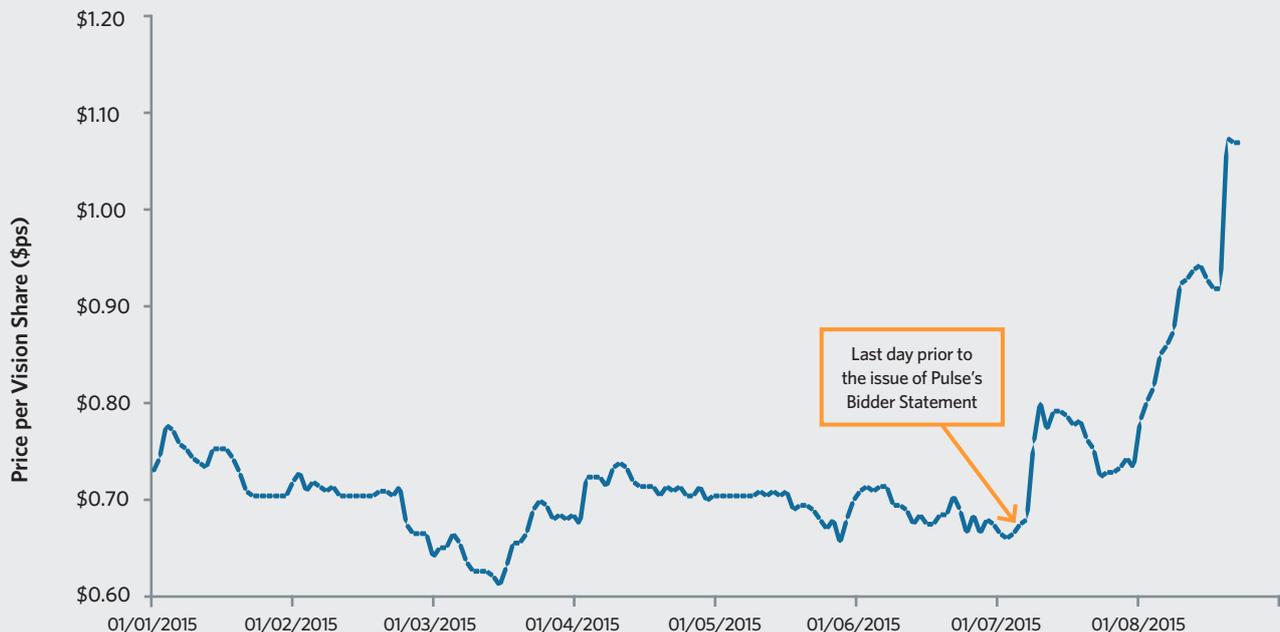
Source: Independent Expert's Report

VISION'S SHARE PRICE IS LIKELY TO FALL IF JANGHO'S OFFER IS NOT SUCCESSFUL

While there are many factors that influence the market price of Vision Shares, if Jangho's Offer is not successful and no superior proposal emerges, your Directors consider it likely that Vision's share price will fall.

The closing price of Vision Shares as at 3 July 2015, being the last business day prior to the announcement of Pulse's Offer (which preceded Jangho's Offer and has now lapsed), was \$0.68.

The following diagram shows the Vision share price prior to and following the date of Pulse's Offer.



Source: IRESS

2. Frequently asked questions

This section answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for Vision Shareholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer
<p>What is Jangho's Offer for my Vision Shares?</p>	<p>Jangho is offering \$1.10 cash for each Vision Share held by you.</p> <p>This amount will be reduced by the amount of the FY15 final dividend of 2.5 cents per Vision Share declared on 25 August 2015 and which will be paid to Vision Shareholders who held Vision Shares on the record date of 1 September 2015.</p> <p>Therefore:</p> <p>a) if you acquired Vision Shares before the ex-dividend date of 28 August 2015 and you accept the Offer for those Vision Shares, you will be paid:</p> <ul style="list-style-type: none"> ▪ the FY15 final dividend of 2.5 cents per Vision Share on 30 September 2015 (irrespective of the outcome of the Offer); and ▪ \$1.075 cash per Vision Share from Jangho (assuming the conditions to the Offer are satisfied or waived); and <p>b) if you acquired Vision Shares on or after the ex-dividend date of 28 August 2015 and you accept the Offer for those Vision Shares:</p> <ul style="list-style-type: none"> ▪ you will not be entitled to the FY15 final dividend of 2.5 cents per Vision Share; and ▪ you will be paid \$1.075 cash per Vision Share from Jangho (assuming the conditions to the Offer are satisfied or waived).
<p>Who is Jangho?</p>	<p>Jangho was established in 1999 and is one of the largest curtain wall manufacturers in the world, and is listed on the Shanghai Stock Exchange (Stock Code: 601886).</p> <p>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.</p> <p>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.</p> <p>The Jangho Offer is being made through a wholly owned subsidiary of Jangho, Jangho Health Care Australia Pty Ltd, which was incorporated in Victoria, Australia. The shares in Jangho Health Care Australia Pty Ltd are owned by Golden Acumen Holdings Limited, which was incorporated in the British Virgin Islands. The shares in Golden Acumen Holdings Limited are owned by Jangho.</p> <p>Further information about Jangho and Jangho Group can be found in section 3 of Jangho's Bidder's Statement and on Jangho's website at www.janghogroup.com.</p>
<p>How many Vision Shares does Jangho already own?</p>	<p>As at the date immediately before the date of this Target's Statement, Jangho (and Jangho Group) held approximately 19.9% of Vision Shares (through its ownership of 35,984,135 Vision Shares).</p>
<p>What choices do I have as a Vision Shareholder?</p>	<p>As a Vision Shareholder, you have the following choices in respect of your Shares:</p> <ul style="list-style-type: none"> ▪ accept Jangho's Offer; ▪ sell your shares on the ASX (unless you have previously accepted Jangho's Offer and you have not validly withdrawn your acceptance); or ▪ do nothing and reject the Offer. <p>There are several implications in relation to each of the above choices. A summary of these implications is set out in section 3 of this Target's Statement.</p>
<p>What are the Vision Directors recommending?</p>	<p>Each Vision Director, including all director executive directors and non-executive directors, recommends that you ACCEPT JANGHO'S OFFER, subject to there being no superior proposal.</p> <p>The reasons why your Directors are recommending that you ACCEPT JANGHO'S OFFER are set out in section 1 of this Target's Statement.</p>

Question	Answer
What are the intentions of the Vision Directors in respect of their own Vision Shares?	Each Vision Director, including all director executive directors and non-executive directors, intends to accept Jangho's Offer in respect of their own Vision Shares, subject to there being no superior proposal.
How do I accept the Offer?	Details of how to accept the Offer are set out in the section of Jangho's Bidder's Statement titled 'How to Accept'.
What are the consequences of accepting the Offer now?	<p>If you accept the Offer, unless withdrawal rights are available (see below), you will give up your right to sell your Vision Shares on the ASX or otherwise deal with your Vision Shares while the Offer remains open.</p> <p>Further details regarding the effect of acceptance of the Offer is set out in section 11 of Appendix 1 (Terms of the Jangho Offer) of Jangho's Bidder's Statement. Vision Shareholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise the Rights attaching to their Shares and the representations and warranties which they give by accepting of the Offer.</p>
If I accept the Offer, can I withdraw my acceptance?	<p>You only have limited rights to withdraw your acceptance of the Offer.</p> <p>You may only withdraw your acceptance of the Offer if Jangho varies the Offer in a way that postpones, for more than one month, the time when Jangho needs to meet its obligations under the Offer. This will occur if Jangho extends the Offer Period by more than one month and the Offer is still subject to conditions.</p>
When does the Offer close?	The Offer is presently scheduled to close at 7.00pm (Melbourne time) on 21 October 2015, but the Offer Period can be extended in certain circumstances (see below).
Can the Offer Period be extended?	<p>Jangho may extend the Offer Period at any time before giving the notice of status of conditions (referred to below) while the Offer is subject to conditions. However, if the Offer is unconditional (that is, all the conditions are fulfilled or freed), Jangho may extend the Offer Period at any time before the end of the Offer Period.</p> <p>In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:</p> <ul style="list-style-type: none"> ▪ Jangho improves the consideration offered under the Offer; or ▪ Jangho's voting power in Vision increases to more than 50%. <p>If either of these two events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.</p> <p>Jangho may not withdraw the Offer if you have already accepted it. Before you accept the Offer, Jangho may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.</p>
What are the conditions to the Offer?	<p>In summary, the conditions to the Offer are:</p> <ul style="list-style-type: none"> ▪ no regulatory actions between the Announcement Date and the end of the Offer Period; ▪ Jangho acquires a relevant interest in greater than 50% of the Vision Shares (on a fully diluted basis); ▪ no prescribed occurrences between the Announcement Date and the end of the Offer Period; ▪ no material adverse change in respect of the Vision Group between the Announcement Date and the end of the Offer Period; ▪ no material acquisitions, disposals or new commitments (other than certain permitted actions, as approved by Jangho or as announced by Vision to ASX prior to the Announcement Date) by the Vision Group between the Announcement Date and the end of the Offer Period; ▪ no distributions (other than the FY15 final dividend) by Vision between the Announcement Date and the end of the Offer Period; ▪ other than certain permitted actions: <ul style="list-style-type: none"> ▪ no entry into (or changes to) contracts of service or material contracts by the Vision Group between the Announcement Date and the end of the Offer Period; and ▪ no new indebtedness by the Vision Group between the Announcement Date and the end of the Offer Period (other than in the ordinary course of business); and ▪ no Vision Performance Rights are granted or issued between the Announcement Date and the end of the Offer Period. <p>The Offer is not subject to any funding conditions or any regulatory approvals, including from FIRB.</p> <p>See Appendix 2 (Conditions of the Jangho Offer) of Jangho's Bidder's Statement for further detail on the conditions of the Offer.</p>
What happens if the conditions of the Offer are not satisfied or waived?	If the conditions are not satisfied or waived before the Offer closes, the Offer will lapse. In this case, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your Vision Shares as you see fit.

Question	Answer
<p>When will I be paid my consideration if I accept the Offer?</p>	<p>If you accept the Offer, you will have to wait for the Offer to become unconditional before Jangho pays your consideration.</p> <p>In the usual case, you will be paid on or before the later of:</p> <ul style="list-style-type: none"> ▪ one month after the date the Offer becomes or is declared unconditional; and ▪ one month after the date you accept the Offer if the Offer is, at the time of acceptance, unconditional, <p>but, in any event (assuming the Offer becomes or is declared unconditional), no later than 21 days after the end of the Offer Period.</p> <p>However, there are certain exceptions to the above timetable for payment.</p> <p>Full details of when you will be issued your consideration are set out in section 13 of Appendix 1 (Terms of the Jangho Offer) of Jangho's Bidder's Statement.</p>
<p>What are the tax implications of accepting the Offer?</p>	<p>A general outline of the tax implications of accepting the Offer is set out in section 5 of this Target's Statement.</p> <p>As the outline is a general outline only, Vision Shareholders are encouraged to seek their own specific professional advice as to the taxation implications applicable to their circumstances.</p>
<p>Is there a number that I can call if I have further queries in relation to the Offer?</p>	<p>If you have any further queries in relation to the Offer, you can call 1300 859 277 (for calls made from inside Australia) or +61 1300 859 277 (for calls made from outside Australia).</p> <p>Calls to these numbers may be recorded.</p>

3. Your choices as a Vision Shareholder

As a Vision Shareholder, you have three choices currently available to you:

(a) Accept Jangho's Offer for all your Vision Shares

Vision Shareholders may elect to accept the Offer. **This is the approach recommended by your Directors, including all director directors and non-executive directors, subject to there being no superior proposal.**

If you accept the Offer, and it becomes unconditional, you will receive \$1.10 cash for each of your Vision Shares.²

Full details of how to accept Jangho's Offer are set out in the section of Jangho's Bidder's Statement titled 'How to Accept' and Vision Shareholders wanting to accept Jangho's Offer should read this section in its entirety.

(b) Sell your Vision Shares on market

During a takeover, shareholders of a target company who have not already accepted the bidder's offer can still sell their shares on market for cash.

The latest price for Vision Shares may be obtained from the ASX website www.asx.com.au.

Shareholders who sell their Shares on market may be liable for tax on the sale (see section 5 of this Target's Statement) and may incur a brokerage charge.

(c) Reject Jangho's Offer

Shareholders who wish to reject Jangho's Offer should do nothing and ignore all documents sent to them by Jangho in relation to the Offer.

Vision Shareholders should note that, if Jangho and its associates have a relevant interest in at least 90% of the Shares during or at the end of the Offer Period, Jangho will be entitled to compulsorily acquire the Shares that it does not already own (see section 4.4 of this Target's Statement for further details).

2. The Offer consideration of \$1.10 cash will be reduced by the amount of the FY15 final dividend of 2.5 cents per Vision Share declared on 25 August 2015 and which will be paid to Vision Shareholders who held Vision Shares on the record date of 1 September 2015. Therefore, if you acquired Vision Shares on or after the ex-dividend date of 28 August 2015 and accept the Offer for those Vision Shares, you will be paid \$1.075 for each Vision Share (assuming the conditions to the Offer are satisfied or waived).

4. Important information for Vision Shareholders

4.1 INFORMATION ABOUT VISION

Vision is Australia's largest provider of ophthalmic care in Australia comprising 14 dedicated ophthalmic consulting facilities, nine state of the art day surgeries and six refractive and laser eye surgery centres along the Eastern seaboard of Australia (Victoria, NSW and QLD).

Vision is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Vision is subject to the listing rules of ASX which require continuous disclosure of any information Vision has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Vision's file is available for inspection at ASX during normal business hours. In addition, Vision is required to lodge various documents with ASIC, copies of which may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Vision is also available in electronic form at <http://www.visioneyeinstitute.com.au>.

4.2 VISION'S FY15 FINANCIAL RESULTS

On 25 August 2015, Vision released its financial results for the year ended 30 June 2015, a copy of which is available from the ASX website www.asx.com.au.

(a) Key highlights

The key highlights of Vision's FY15 financial results are:

- revenue of \$112.9 million, being a 2.1% increase on FY14;
- trading EBITDA* of \$27 million, consistent with recent guidance, and being a 12.3% increase on FY14 EBITDA* of \$24.1 million;
- goodwill written-down by \$2.5 million relating to Gold Coast clinics which were sold effective 1 July 2015;
- profit after tax before significant items* of \$14.5 million, being an increase of 22.6% on FY14* \$11.9 million;
- profit after tax of \$12.0 million (after a goodwill write-down of \$2.5 million);
- EPS of 6.7 cents per share, compared with 7.9 cents per share in FY14;
- net finance costs of \$1.2 million, being a 39% reduction on FY14;
- net debt of \$5.6 million, compared with \$27 million in FY14; and
- the capital raising in October 2014 generated cash of \$9.7 million (net of costs).

*excluding FY15 goodwill write-down (\$2.5 million) and FY14 once off insurance proceeds (\$1.9 million, \$1.4 million after tax)

(b) FY15 final dividend

In its FY15 financial results announcement, Vision announced a final dividend of 2.5 cents per Vision Share for the year ended 30 June 2015.

In relation to this dividend, Vision notes the following:

- the dividend is fully franked at the corporate income tax rate of 30%;
- the record date for determining entitlement to the dividend is 1 September 2015 and it will be paid on 30 September 2015; and
- the Dividend Reinvestment Plan will not operate for this dividend payment.

4.3 MINORITY OWNERSHIP CONSEQUENCES

If Jangho acquires more than 50% but less than 90% of Vision Shares then Jangho will have a majority shareholding in Vision. Accordingly, in these circumstances, Vision Shareholders who do not accept Jangho's Offer may become minority shareholders in Vision. This has a number of possible implications, including:

- Jangho will be in a position to cast the majority of votes at a general meeting of Vision. This will enable it to control the composition of Vision's board of directors and senior management and control the strategic direction of the business of the Vision Group. Jangho has stated in section 5.4(a) of its Bidder's Statement that, in such circumstances, it would seek to procure the appointment of a majority of its nominees to the Vision board of directors so that the proportion of nominees is broadly similar to the proportion of voting power that Jangho holds in Vision;
- the Vision share price may fall immediately following the end of the Offer Period and it is unlikely that Vision's share price will contain any takeover premium;
- liquidity of Vision's shares may be lower than at present;
- Vision may be removed from the official list of ASX.; and
- if Jangho acquires 75% or more of the Vision Shares it will be able to pass a special resolution of Vision. This will enable Jangho to, among other things, change Vision's constitution.

For a description of Jangho's intentions if it acquires more than 50% but less than 90% of the Vision Shares, you should refer to section 5.4 of Jangho's Bidder's Statement.

4.4 COMPULSORY ACQUISITION

Jangho has indicated in section 5.3(a) of its Bidder's Statement that, if it satisfies the required thresholds, it intends to compulsorily acquire any outstanding Vision Shares.

Jangho will be entitled to compulsorily acquire any Vision Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if, during or at the end of the Offer Period, Jangho and its associates have a relevant interest in at least 90% (by number) of the Vision Shares.

If this threshold is met, Jangho will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Vision Shareholders who have not accepted the Offer. Vision Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their Vision Shares. If compulsory acquisition occurs, Vision Shareholders who have their Vision Shares compulsorily acquired are likely to be issued their consideration approximately 5 to 6 weeks after the compulsory acquisition notices are dispatched to them.

It is also possible that Jangho will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Vision Shares. Jangho would then have rights to compulsorily acquire Vision Shares not owned by it within 6 months of becoming the holder of 90%. Jangho's price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

4.5 BID IMPLEMENTATION DEED

Vision and Jangho entered into a Bid Implementation Deed on 13 August 2015.

A summary of certain key terms of the Bid Implementation Deed is set out below and the full terms of the Bid Implementation Deed can be viewed in the announcement made by Vision in connection with Jangho's Offer on 13 August 2015.

(a) Conduct of business

Until the end of the Offer Period, Vision must ensure that it conducts the business and operations of the Vision Group in the usual and ordinary course, and:

- not take any action that will or is likely to breach or prevent the satisfaction of any condition;
- not announce, determine as payable, declare or pay any other dividend, capital return or distribution until after the end date (which is the earlier of the end of the Offer Period and 13 March 2016); and
- make all reasonable efforts to:
 - keep available the services of their officers and employees; and
 - preserve their relationships with regulatory authorities, customers, suppliers, joint venture partners and others with whom they have business dealings.

These restrictions do not apply to any act which:

- is required to be undertaken under the Vision directors' fiduciary duties, by law or under the terms of the Bid Implementation Deed;
- is a permitted action (being the declaration and payment of Vision's FY15 final dividend, the proposed acquisition referred to in section 1.1(a) of Vision's target's statement in response to Pulse's Offer³, and the appointment of a Chief Executive Officer); or
- is consented to by Jangho.

(b) Exclusivity arrangements

- **No shop obligation:** Vision cannot directly or indirectly continue, solicit, encourage or initiate any rival bids which may reasonably be expected to lead to a competing proposal (which is defined to cover any proposal by a third party that, if completed, would mean a person would acquire 50% or more of the Vision Shares, hold an equity derivative relating to 30% or more of the Vision Shares, acquire an interest in all or a material part of Vision's business, acquire 'control' of Vision under section 50AA of the Corporations Act, or merge with Vision under another form of control transaction).
- **No talk obligation:** Subject to a fiduciary exception, Vision must not hold discussions with another person or provide information to them in relation to a transaction which may reasonably be expected to lead to a competing proposal.
- **No due diligence obligation:** Subject to a fiduciary exception, Vision must not allow any third party to receive any non-public information relating to the Vision Group in connection with assessing or formulating a competing proposal.
- **Notification obligation:** Subject to a fiduciary exception, Vision must notify Jangho of any approach from a third party and disclose:
 - the name of the third party if it consents, or if it does not consent the country of origin and industry sector of the third party; and
 - the material terms of the competing proposal.
- **Matching right:** Vision Directors cannot recommend a competing proposal unless:
 - the board determines that it is a superior proposal;
 - Vision has told Jangho the country of origin and industry of the third party and the terms of the competing proposal; and
 - Vision has given Jangho three business days to provide an equivalent or more-favourable counter-proposal.

(c) Break fee

Vision has agreed to pay Jangho a break fee of \$2 million if:

- a Vision Director changes or withdraws his or her recommendation; or
- a third party acquires 50% or more of the Vision Shares.

Consistent with market practice, the break fee is approximately 1% of the equity value of Vision implied by Jangho's Offer.

(d) Changes to the Vision board

Jangho can reconstitute the Vision board after it reaches a relevant interest in 50% of the Vision Shares (unconditionally), but must:

- ensure the board's composition complies with Vision's constitution; and
- keep at least two independent directors on the Vision board until it reaches a relevant interest in 90% of the Vision Shares (unconditionally).

4.6 VISION'S CONTRACTS

Vision is a party to certain contracts containing 'change of control' provisions which may be triggered as a result of, or as a result of acceptances of, the Offer. A summary of these contracts, and the relevant change of control provisions, is set out in section 7.1(b) of Vision's target's statement in response to Pulse's Offer.

Vision is in the process of liaising with the relevant counterparties in order to obtain any consents required as a result of the Offer. A failure to obtain any consents will not trigger any right for Jangho to withdraw the Offer or terminate the Bid Implementation Deed.

3. As at the date of this Target's Statement, discussions regarding this proposed acquisition have ceased. As stated in section 1.1(a) of Vision's target's statement in response to Pulse's Offer, there was no certainty that this proposed acquisition would proceed.

4.7 VISION'S ISSUED CAPITAL

As at the date of this Target's Statement, Vision's issued capital consisted of:

- 179,920,730 Vision Shares; and
- 4,351,556 Non-Voting Shares (which are not subject to the Offer).

The Offer does not extend to Vision Non-Voting Shares. However, the Offer will extend to holders of Vision Shares issued during the period from the Register Date to the end of the Offer Period due to the conversion of Vision Non-Voting Shares into Vision Shares (i.e. as a result of the relevant voluntary escrow period lapsing).

As of the date of this Target's Statement, there are no Vision Performance Rights on issue.

4.8 CONSENTS

(a) The following persons have given, and not withdrawn before the lodgement of this Target's Statement with ASIC, their written consent to be named in this Target's Statement in the form and context it is so named:

- Link Market Services Limited as Vision's share registrar;
- Bell Potter Securities Limited as Vision's financial advisor; and
- Herbert Smith Freehills as Vision's Australian legal advisors.

None of these persons have caused or authorised the issue of this Target's Statement, and does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement other than any reference to its name.

(b) As permitted by ASIC Class Order 13/521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to the ASX, or announced on the Company Announcements Platform of the ASX. Pursuant to the Class Order, consent is not required for the inclusion of such statements in this Target's Statement. Any Vision Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the Vision Shareholder line on 1300 859 277 (for calls made from within Australia) or +61 1300 859 277 (for calls made from outside Australia).

(c) As permitted by ASIC Class Order 07/429, this Target's Statement contains share price trading data sourced from IRESS without its consent.

5. Taxation consequences

5.1 INTRODUCTION

The following is a general description of the Australian income tax and CGT consequences for Vision Shareholders who accept the Offer.

The comments set out below are relevant only to those Vision Shareholders who hold their Vision Shares on capital account. The comments are not applicable for Vision Shareholders who:

- hold their Vision Shares for the purposes of speculation or a business of dealing in securities (e.g. as trading stock) or who otherwise hold their Vision Shares on revenue account;
- have made any of the tax timing method elections pursuant to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Vision Shares; or
- acquired their Vision Shares pursuant to an employee share or option plan.

Vision Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of accepting the Offer.

The following description is based upon the Australian law and administrative practice in effect at the date of this Target's Statement. It is necessarily general in nature and is not intended to be definitive tax advice to Vision Shareholders. Accordingly, each Vision Shareholder should seek independent professional advice in relation to their own particular circumstances.

5.2 RECEIPT OF FY15 FINAL DIVIDEND

(a) Assessability of FY15 final dividend

An Australian resident Vision Shareholder should include the FY15 final dividend of 2.5 cents in their assessable income in the income year in which they receive the FY15 final dividend.

The FY15 final dividend will be a fully-franked dividend. As a result, the amount that must be included in the assessable income of a Vision Shareholder who is a 'qualified person' (see section 5.2(b) below) should be the cash amount of the FY15 final dividend plus the amount of franking credits attached to the FY15 final dividend (which will be approximately 1.07 cents per Vision Share).

Vision Shareholders resident in Australia are entitled to offset their tax liability by the amount of the franking credits attached to the FY15 final dividend, provided they are a 'qualified person' in relation to the FY15 final dividend (see section 5.2(b) below) and that certain integrity measures in the relevant legislation have not been contravened.

Vision Shareholders should note that the ability to offset their tax liability by the amount of the franking credits attached to the FY15 final dividend and the exact post tax value of the franking credits will depend on their individual income tax circumstances (including their applicable rate of tax).

A non-resident Vision Shareholder who does not hold their Vision Shares through a permanent establishment in Australia will not be subject to Australian income tax or withholding tax on the FY15 final dividend and therefore will not be entitled to an additional Australian franking credit benefit.

(b) Holding period requirement and franking credit tax offset

Vision announced that it will pay the FY15 final dividend to Vision Shareholders holding Vision Shares on 1 September 2015 (being the record date). This is the last day by which a person must be on the register of Vision Shareholders to be entitled to receive the FY15 final dividend.

As a result, a Vision Shareholder will be a 'qualified person' and entitled to offset their tax liability by the amount of franking credits if they hold their Vision Shares 'at risk' for at least 45 clear continuous days in the period from 19 July 2015 to 17 October 2015 (being the period commencing 45 days before and ending 45 days after the day after the record date).

To hold their Vision Shares 'at risk', a Vision Shareholder must not have materially diminished risk of loss or opportunity for gain on their Vision Shares. Whether a Vision Shareholder holds their Vision Shares 'at risk' will depend on any arrangements they may have entered into in regard to their Vision Shares such as any hedging strategy.

Whether a Vision Shareholder holds their Vision Shares at risk will also depend on when they accept the Offer to dispose of their Vision Shares. In broad terms:

- a Vision Shareholder who accepts the Offer before the Offer becomes or is declared unconditional should continue to hold their Vision Shares at risk until the day before the date on which the Offer becomes or is declared unconditional;
- a Vision Shareholder who accepts the Offer after the Offer becomes or is declared unconditional should be considered to hold their Vision Shares at risk until the day before they accept the Offer;
- a Vision Shareholder who does not accept the Offer will continue to hold their Vision Shares at risk (assuming there is no compulsory acquisition); and
- a Vision Shareholder who has their Vision Shares compulsorily acquired should continue to hold their Vision Shares at risk until the day before the date by which Jangho becomes the owner of the Vision Shares.

On the basis that the Offer will not become or be declared unconditional on or before 3 September 2015, Vision Shareholders who accept the Offer before it becomes or is declared unconditional should have sufficient time to satisfy the 'at risk' requirement provided they acquired their Vision Shares on or before 18 July 2015.

(c) Refundable franking credit tax offset

Where the franking credit offset of a Vision Shareholder is higher than their tax liability for the income year in which the FY15 final dividend is received, the Vision Shareholder may be entitled to a refund of the excess franking credit tax offset if they are an individual or a complying superannuation fund.

5.3 TAXATION ON DISPOSAL OF VISION SHARES

(a) Australian resident Shareholders

(1) Vision Shareholders who accept the Offer

Acceptance of the Offer will involve the disposal by Vision Shareholders of their Vision Shares by way of transfer to Jangho. This change in the ownership of the Vision Shares will constitute a CGT event for Australian CGT purposes.

The date of disposal for CGT purposes will be the date the contract to dispose of the Vision Shares is formed, which will be the date of acceptance if you decide to accept the Offer.

(2) Compulsory acquisition

If a Vision Shareholder does not dispose of their Vision Shares under the Offer and their Vision Shares are subsequently compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, those Vision Shareholders will also be treated as having disposed of their Vision Shares for CGT purposes.

The date of disposal for CGT purposes will be the date when Jangho becomes the owner of the Vision Shares.

(3) Calculation of capital gain or capital loss

Vision Shareholders may make a capital gain or capital loss on the transfer of Vision Shares.

Vision Shareholders will make a capital gain to the extent that their capital proceeds from the disposal of the Vision Shares are more than the cost base of those Vision Shares. Conversely, Vision Shareholders will make a capital loss to the extent that their capital proceeds are less than their reduced cost base of those Vision Shares.

The cost base and reduced cost base of the Vision Shares generally includes the cost of acquisition and any incidental costs of acquisition and disposal that are not deductible to the Shareholder.

The capital proceeds of the CGT event will be equal to the amount of \$1.075 cash per Vision Share payable by Jangho to the Vision Shareholder in respect of the disposal of their Vision Shares. However, depending on the facts and circumstances of the Offer, the Commissioner of Taxation may regard the FY15 final dividend of 2.5 cents as part of the capital proceeds derived from the disposal of the Vision Shares. This should only occur if the Commissioner of Taxation considers the conclusions set out in Taxation Ruling TR 2010/4 to apply to the payment of the FY15 final dividend. Given the current facts and circumstances, it is considered unlikely that the FY15 final dividend would be considered part of the capital proceeds.

If the FY15 final dividend does form part of a Vision Shareholder's capital proceeds and the Vision Shareholder derives a capital gain from the disposal of their Vision Shares, the capital gain should be reduced by the amount of the FY15 final dividend received. This will ensure that the FY15 final dividend is not subject to double taxation. On the other hand, if the Vision Shareholder makes a capital loss from the disposal of their Vision Shares, the inclusion of the FY15 final dividend will reduce the amount of the capital loss incurred by the Shareholder. This is the case, even though the Shareholder will be separately assessed on the receipt of the FY15 final dividend.

Individuals, complying superannuation entities or trustees that have held their Vision Shares for at least 12 months should be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Vision Shares by 50% in the case of individuals and trusts or by 33% for complying superannuation entities. For trusts the ultimate availability of the discount may depend on a beneficiary's entitlement to the discount. Companies are not entitled to discount the amount of the capital gain.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains.

(b) Non-resident Vision Shareholders

For a Vision Shareholder who:

- is not a resident of Australia for Australian tax purposes; and
- does not hold their Vision Shares in carrying on a business through a permanent establishment in Australia;

the disposal of Vision Shares will generally only result in Australian CGT implications if:

- that Shareholder together with its associates held 10% or more of the Vision Shares at the time of disposal or for any continuous 12 month period within 2 years preceding the disposal; and
- more than 50% of Vision's value is due to direct or indirect interests in Australian real property.

A Vision Shareholder that, together with its associates, owns, or has for any continuous 12 month period within 2 years owned, 10% or more of the issued share capital of Vision should obtain independent advice as to the tax implications of sale, and whether any protection will be available under a relevant double tax treaty.

A non-resident Vision Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident will be subject to Australian CGT consequences on disposal of the Vision Shares as set out in section 5.3(a) above.

(c) Goods and services tax

Vision Shareholders should not be liable to GST in respect of a disposal of their Vision Shares.

Vision Shareholders may be charged GST on costs (such as advisor fees) that relate to their participation in the Offer. Vision Shareholders may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

6. Glossary and interpretation

6.1 GLOSSARY

The meanings of the terms used in this Target's Statement are set out below.

Term	Meaning
Announcement Date	13 August 2015.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited.
CGT	capital gains tax.
Corporations Act	the Corporations Act 2001 (Cth).
Director/s	a director of Vision / the board of directors of Vision (as applicable).
Independent Expert	Loneragan Edwards & Associates Limited ABN 53 095 445 560.
Independent Expert's Report	the independent expert's report dated 3 August 2015 prepared by the Independent Expert, a copy of which is the Attachment to Vision's target's statement in response to Pulse's Offer.
Jangho	Jangho Group Co., Ltd.
Jangho Group	Jangho and each person listed in Annexure A of Jangho's ASIC Form 603 'Notice of Initial substantial holder' lodged with ASX on 31 July 2015.
Jangho's Bidder's Statement	the bidder's statement of Jangho dated 7 September 2015.
Offer Consideration	\$1.10 cash for each Vision Share.
Offer or Jangho's Offer	the offer by Jangho for the Vision Shares, the terms and conditions of which are set out in section 15 of Jangho's Bidder's Statement.
Offer Period	the period during which the Offer will remain open for acceptance.
Pulse	Pulse Health Limited ABN 69 104 113 760.
Pulse's Offer	the offer by Pulse for Vision Shares as contained in Pulse's replacement bidder's statement dated 17 July 2015 (as supplemented), which closed on 21 August 2015.
Register Date	7.00pm (Melbourne time) on 7 September 2015.
Rights	has the meaning given in section 9.1 of Jangho's Bidder's Statement.
Subsidiaries	has the meaning given in section 9 of the Corporations Act.
Target's Statement	this document, being the statement of Vision under Part 6.5 Division 3 of the Corporations Act.
Vision	Vision Eye Institute Limited ABN 21 098 890 816.
Vision Group	Vision and its Subsidiaries.
Vision Non-Voting Shares	fully paid ordinary non-voting shares in Vision.
Vision Performance Rights	performance rights issued by Vision under the Vision Eye Institute Limited Performance Rights Plan (as approved by Vision Shareholders at the 2014 Annual General Meeting of Vision held on 21 November 2014) or any substitute or replacement plan.

Term	Meaning
Vision Share	a fully paid ordinary voting shares in Vision.
Vision Shareholder or Shareholder	a holder of Vision Shares.
VWAP	the volume weighted average price.

6.2 INTERPRETATION

In this Target's Statement:

- (a) Other words and phrases have the same meaning (if any) given to them in the Corporations Act.
- (b) Words of any gender include all genders.
- (c) Words importing the singular include the plural and vice versa.
- (d) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.
- (e) A reference to a section, clause, attachment and schedule is a reference to a section of, clause of and an attachment and schedule to this Target's Statement as relevant.
- (f) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re enactments of any of them.
- (g) Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.
- (h) Unless otherwise specified, a reference to time is a reference to AEST.
- (i) A reference to dollars, \$, A\$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

7. Authorisation

This Target's Statement has been approved by a unanimous resolution passed by the Directors of Vision.

Signed for and on behalf of Vision:

9 September 2015

Yours sincerely

A handwritten signature in black ink, appearing to read 'Shane Tanner', written in a cursive style.

Shane Tanner
Chairman
Vision Eye Institute Limited

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Corporate Directory

Directors

- Mr Shane Tanner - Non-Executive Chairman
- Mr Iain Kirkwood - Non-Executive Director
- Dr Michael Lawless - Executive Director
- Ms Zita Peach - Non-Executive Director
- Dr Joseph Reich - Executive Director
- Dr Tim Roberts - Medical Director
- Mr Garry Sladden - Non-Executive Director

Company Secretaries

- Ms Anne McGrath
- Ms Karen Lopreiato

Registered Office

Level 5, 390 St Kilda Road
Melbourne VIC 3004

Website

<http://www.visioneyeinstitute.com.au>

Financial Advisor

Bell Potter Securities Limited
Level 29
101 Collins Street
Melbourne VIC 3000

Legal Advisor

Herbert Smith Freehills
Level 42
101 Collins Street
Melbourne VIC 3000

Share Registry

Link Market Services Pty Ltd
Level 1, 333 Collins Street
Melbourne VIC 3000

