

FINANCIAL REVIEW

SE Market Wrap - Street Talk
HD **PanAust investors keen for takeover update**
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The market is eagerly awaiting an update from PanAust on Thursday on the curious takeover that has been dragging on around them for the past four months.

PanAust fielded a takeover offer from its biggest shareholder, Guangdong Rising Asset Management (GRAM), in May, which valued the stock at \$2.30.

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Brisbane-based PanAust invited GRAM to do further studies on the deal, and little has occurred since. Even due diligence finished seven weeks ago.

There has been no engagement between the PanAust board and GRAM, with PanAust claiming in July that "multiple" parties have come forward and are also in the data room.

But few in the market believe the story. Sources say there isn't another credible buyer to show the deal, let alone actively looking.

GRAM is also said to be struggling to **firm** up its indicative proposal, which has led to increased uncertainty in the market over whether the **Chinese company** will stick around.

Rumours swirled this year that Guangdong were in fact open to selling their **stake** prior to the bid becoming public.

The key concern appears to be the lack of detail in the due diligence around the Frieda Mine project, PNG's largest currently reported **copper, gold** and silver resource, which PanAust owns. Recent reports suggest the PNG government should oppose the **sale** and look to keep it in local hands.

Elsewhere, fund managers and analysts have some curly questions for education roll-up Vocation's maiden full-year result on Thursday.

After starting life with a bang and three chunky acquisitions later, some investors want Vocation to go back and explain the basics.

One of Vocation's original business, BAWM, for which it paid \$102.7 **million** at the IPO, is understood to have run into some headwinds in its home market of Victoria. The state changed its education funding model and licensing process and there are questions as to exactly where that has left BAWM's four key brands.

Vocation has said little publicly about the changes. And some of the shareholders are getting restless.

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