

# FINANCIAL REVIEW

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HD **King squeaks in as Sundance chairman**  
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Sundance Resources' shareholders have narrowly approved the appointment of the controversial former boss of Leighton Holdings, Wal King, to their board with more than 40 per cent of investors voting against his election as chairman.

At a tense event, shareholders also gave the **company**'s remuneration report its first strike, with 55.4 per cent of votes cast against the package.

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The shareholder rebuke comes as the **company**, which plans to develop the Mbalam-Nabeba **iron ore** mine in central Africa, works to win **billions** of dollars in funding to develop the landlocked mine and infrastructure during the worst economic conditions for **iron ore** in more than five years.

Mr King said the vote against the remuneration report was "not completely unexpected" due to its major shareholder Hanlong **Mining** Investment voting against the resolution.

Sundance was the target of a protracted \$1.3 **billion** takeover bid from the **Chinese** group between 2011 and 2013.

Hanlong was approved by the Foreign Investment Review Board to buy Sundance in June 2012. Deadlines missed

But the deal collapsed after the **Chinese firm** failed to meet financing deadlines and the Australian Securities and Investments Commission launched investigations into three of its Australia-based executives for insider trading.

Hanlong retains a 14.1 per cent **stake** in the **company**.

Sundance could face a vote over a possible spill of the board if more than 25 per cent of shareholders oppose the remuneration report at next year's annual meeting. Asked how he would steer the **company** away from this threat during the course of the 2015 financial year, Mr King said it would announce further cost-saving measures in due course.

"As George Jones has said the **company** will be looking at the 'go forward' over the next 12 months and the 'go forward' means the structure and strategy of the **company** in relation to the market – and in simple terms, the **company** has to cut its costs to suit the occasion. We will make an announcement in due course. We have to go evaluate first, we are not going to shoot from the hip."

Managing director Giulio Casello echoed his new chairman's comments, explaining the **company** would be making further cost reduction over the next "couple of weeks".

"The share price is 3.6¢ and shareholders are unhappy about that," Mr Casello said.

"We have cut costs and we obviously need to cut more and we will do that. We will announce something in a couple of weeks but we are looking at all areas – people, salaries – but we will announce something in a few weeks.

The **iron ore** price has crashed more than 45 per cent this year to below \$US70 a tonne, casting shadows over the future of marginal **iron ore** producers and companies seeking to develop **iron ore** mines..

Sundance shares have fallen 5.6 per cent to 3.4c. 2019 target for production

**CO** leiho : Leighton Holdings Ltd | hocht : Hochtief AG | ocisa : ACS Actividades de Construcciones y Servicios SA

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