

SE Business
HD **Dragon fires up over Lee ties**
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Dragon **Mining** has escalated a confrontation with its major shareholder by directly implicating interests linked to corporate raider Lee Ming Tee in a pending board spill.

The Perth-based, Swedish-focused **gold** miner has gone to the Takeovers Panel seeking to block a showdown on Friday where Peter Gunzberg's Lee-backed Eurogold will seek shareholder approval to roll most of Dragon's directors.

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Dragon alleges the Lee family and the Malaysian-**Chinese billionaire**'s long-time friend, Shirley Chong Sok Un, are in cahoots with Eurogold to try and seize control of the **company** in breach of takeover laws.

The complaint, which is still being evaluated by the panel, centres on Chong's 12.1 per cent **stake** in Dragon held via COL Capital, a holding which could well decide Friday's vote.

Lee's Allied Group, run by son Lee Seng Hui, holds 36.5 per cent of Eurogold, which in turn owns 24.5 per cent of Dragon.

Dragon argues that the Lees and Chong are associated parties, and that the latter is therefore subject to the same restrictions on share purchases applying to the Lees.

It says COL's **purchase** of Dragon shares over a six-month period a year ago breached takeover laws by delivering Eurogold a significantly increased **stake** in Dragon.

It wants the panel to adjourn Friday's meeting until any proceedings by the regulator are concluded. But it is also seeking the confiscation and **sale** of the COL holding and wants COL and Eurogold banned from voting their stakes.

It is not the first time Lee and Chong have been caught up in a corporate stoush in Australia, with both figuring prominently in a panel ruling on a similar matter during an attempt to snare board control of Mt Gibson **iron** six years ago.

On that occasion, the panel blocked **Chinese** group Shougang's attempt to buy a 19.7 per cent **stake** in the **iron ore** miner because of Shougang's association with the Lee-backed APAC Resources, Mt Gibson's biggest shareholder.

Lee Seng Hui remains a member of the Mt Gibson board. The Lee family's other local interests include a major **stake** in Tanami **Gold**.

Friday's meeting is due to consider the dumping of three of Dragon's four directors and the appointment of two Eurogold nominees, including Allied Group and Mt Tanami director Arthur Dew.

The new directors would join Gunzberg in forming a new board promising to provide the leadership they claim has been lacking at Dragon.

Eurogold would appear to be in no position to be offering advice, given it is virtually dormant, its shares suspended from trading since last June while it hunts for a new project.

However, it has lost plenty on Dragon's sliding share price and reckons the group hasn't been quick enough to rein in costs.

Dragon chairman Peter Cordin has countered that Eurogold's criticism shows "a lack of understanding of **gold mining**" and says the prospect of a board spill by a suspended **company** is "unpalatable".

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