



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP24/53

Thursday, 19 September 2024

Namoi Cotton Limited – Panel Receives Application

The Panel has received an application from Louis Dreyfus Company Melbourne Holdings Pty Ltd (**LDC**) in relation to the affairs of Namoi Cotton Limited (ASX: NAM) (**Namoi**). Namoi is currently the subject of two competing off-market takeover offers from LDC and Olam Agri Australia Pty Ltd (**Olam**).

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

On 29 April 2024, LDC announced its off-market takeover offer (**LDC Offer**). The LDC Offer became unconditional on 4 September 2024. Namoi shareholders are being offered \$0.67 per share under the LDC Offer. LDC holds 21.3% of Namoi as at 13 September 2024.

On 2 May 2024, Olam announced its off-market takeover offer (**Olam Offer**). The Olam Offer is conditional on ACCC approval, FIRB approval, a 50.1% minimum acceptance condition and a no prescribed occurrences condition. Namoi shareholders are being offered \$0.75 per share under the Olam Offer.

In addition to LDC, Namoi's other substantial shareholders are Samuel Terry Asset Management Pty Ltd as trustee for Samuel Terry Absolute Return Fund (**STAM**) and Harvest Lane Asset Management Pty Ltd (**HL**). As at 13 September 2024, STAM held 25% of Namoi and HL held approximately 7% of Namoi.

On 13 September 2024:

- Olam increased its offer price under the Olam Offer from \$0.70 per share to \$0.75 per share
- STAM and HL issued shareholder intention statements stating that they intend to accept into the Olam Offer in respect of all of the Namoi shares that they

respectively hold as at the date of acceptance in the absence of a superior proposal and subject to the independent expert concluding that the Olam Offer is fair and reasonable and

- Olam entered into binding deeds with each of STAM and HL to acquire on an off-market and unconditional basis 16,269,181 Namoi shares from STAM (7.92% of Namoi) and 4,241,761 Namoi shares from HL (2.07% of Namoi), for \$0.75 per share respectively, to be settled on 18 September 2024 (the **blocking stake**).

Following entry into the binding deeds with each of STAM and HL to acquire the blocking stake, Olam's relevant interest in Namoi increased to 16.34% (including conditional acceptances of 6.35% under the Olam Offer).

LDC submits that the circumstances are unacceptable having regard to the effect that such circumstances are having on the acquisition of a substantial interest in Namoi, the effect the circumstances are having and will have on the control of Namoi and because the circumstances are preventing there being an efficient, competitive and informed market in Namoi shares.

LDC submits that Namoi shareholders (including those who have already accepted into the Olam Offer) have not had a reasonable and equal opportunity to sell their Namoi shares unconditionally to Olam as opposed to through the Olam Offer which is highly conditional and uncertain.

LDC submits that there has been a breach of section 623 of the *Corporations Act 2001* (Cth) given STAM and HL have received a collateral benefit (being the unconditional and immediate sale of the blocking stake to Olam) which is a material net benefit and has induced STAM and HL to sell the blocking stake and which has not been made available to any other Namoi shareholders.

LDC seeks interim orders preventing:

- the blocking stake sale if completion has not occurred and
- Olam acquiring any shares or increasing its voting power in Namoi (other than through the Olam Offer) until the application is determined.

LDC seeks final orders in effect:

- either preventing the blocking stake sale if completion has not occurred or unwinding the sale if it has occurred and

- requiring that before Olam proceeds with an on-market acquisition of Namoi shares while the Olam Offer is still conditional, that it must give 5 business days' notice that it will pursue on-market acquisitions and give Namoi shareholders who have accepted the Olam Offer the right to withdraw their acceptance so that they can sell their Namoi shares into any order placed on-market.

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