



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP23/035

Tuesday, 21 November 2023

Mighty Kingdom Limited - Panel Receives Application

The Panel has received an application from Mighty Kingdom Limited (ASX: MKL) (**Mighty Kingdom**) in relation to its affairs. The application concerns the alleged conduct of Gamestar Studios Pty Ltd (**Gamestar**) and its alleged associates.

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 or around 18 January 2023, Gamestar acquired a relevant interest in approximately 30.50% of the voting shares in Mighty Kingdom pursuant to a share subscription agreement (as amended from time to time) (**SSA**). The acquisition of the relevant interest under the SSA was approved by shareholders of Mighty Kingdom pursuant to item 7 of section 611.

The SSA permitted Gamestar to pay the subscription price for the shares it had acquired in instalments. The second instalment became due on 15 February 2023, and the third instalment became due on 15 April 2023, with the two instalments equalling approximately \$2.088 million in aggregate. The second and third instalments have not been paid by Gamestar.

On 15 November 2023, Imagination Entertainment Pty Ltd (**Imagination**), an alleged associate of Gamestar, acquired 65,951,623 shares from Gamestar, representing approximately 13.9% of the voting shares in Mighty Kingdom.

Mighty Kingdom is scheduled to hold an annual general meeting (**AGM**) on 29 November 2023.

Mighty Kingdom submits that Gamestar has acted contrary to the principles in section 602 because (among other things) it has:

- failed to pay the subscription price for 59,657,143 shares it acquired under the SSA, representing 12.5% of the voting shares in Mighty Kingdom and
- indicated that it intends to vote all its shares in Mighty Kingdom, including the 59,657,143 unpaid shares, against all but one of the resolutions proposed at the AGM.

Mighty Kingdom also submits that, since October 2023, Gamestar has made, and continues to make, false and misleading statements to the market in contravention of sections 1041E and 1041H, and that both Gamestar and Imagination have failed to lodge substantial holder notices pursuant to section 671B, including details of their alleged association.

Mighty Kingdom has sought interim orders to the effect that Gamestar and its associates be restrained from disposing of, or exercising any voting rights attaching to, 59,657,143 shares in Mighty Kingdom at the AGM and any subsequent general meetings until Gamestar has paid the outstanding subscription price.

Mighty Kingdom has sought final orders to the effect that (among other things) Gamestar and its associates be restrained from:

- disposing of, or exercising any voting rights attaching to, 59,657,143 shares in Mighty Kingdom until Gamestar has paid the outstanding subscription price
- receiving any dividends or distributions attaching to 59,657,143 shares in Mighty Kingdom until Gamestar has paid the outstanding subscription price and
- making false or misleading statements to the market.

Allan Bulman
Chief Executive, Takeovers Panel
Level 16, 530 Collins Street
Melbourne VIC 3000
Ph: +61 3 9655 3500
takeovers@takeovers.gov.au