

# SportsHero

ASX RELEASE

8 December 2021

## KEY APPOINTMENT - HEAD OF ESPORTSHERO, CHINA

### Highlights

- SportsHero secures the services of one of China's best known esports celebrities, "Sherry" Chen Fang Hui, to head the Company's Chinese esports activities and development.
- As a successful player, coach, tournament director and media personality, Sherry's network spans across the gaming, media and esports industries throughout China.
- China is the largest esports market in the world, with 488 million fans and viewers.<sup>1</sup> The Chinese market is expected to exceed RMB 182 billion (~A\$40 billion) in size in 2021, achieving an annual growth rate of 23.9%.<sup>2</sup>
- On 1 September 2021, the Chinese government imposed a 3 hour per week gaming time limit on gamers under the age of 18. This restriction has significantly impacted large gaming publishers and has created a sizeable opportunity for SportsHero to capture an already engaged and active Chinese audience.<sup>3</sup>

SportsHero is very pleased to announce the appointment of Ms Sherry Chen as the Head of eSportsHero, China.

With a network that spans across the Chinese gaming, media and esports industries, Sherry is uniquely qualified to facilitate the capitalisation by SportsHero of business growth opportunities within China and the development of the eSportsHero business.



### Sherry Chen's background and experience

Sherry is in the unique position where her network permeates the gaming, business media and esports industries throughout China.

**SportsHero Limited**  
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As a former professional international esports champion and the current coach of LGD Gaming (one of China's largest esports teams), Sherry is a regular TV presenter and guest on multiple esports reality television shows and regularly hosts official livestreams of professional matches on behalf of the game publisher, Tencent Holdings (HKG: 0700).

Sherry is currently the Tournament Director for Chinese esports powerhouse **LGD Gaming**, she previously held head coaching roles with multiple top tier esports teams such as **ROX Tigers** (South Korea) and **Qin/RF Gaming**. In 2018 Sherry was awarded China's top female coach award across all gaming titles.

In her capacity as either a professional player or esports coach, over the last 11 years Sherry and/or her coached team has achieved a top 3 podium finish in all national and international esports competitions entered into.

In 2014, Sherry was appointed as COO of **OMG Esports** for two years and prior to that she held multiple management roles for organisations such as **VG Esports**, **CLC Esports**, **LOLadies** and **Nirvana Esports**.

Please refer to Schedule A for a detailed list of Sherry's extraordinary achievements.

## SportsHero's CEO Tom Lapping said:

"In line with our esports strategy, we consider it to be very timely to be engaging with an already captive Chinese esports audience and offering an out-of-game platform to interact, engage and compete in esports prediction tournaments across their favourite game titles."

"SportsHero's esports strategy, that will be driven by its unique artificial intelligence esports predictor and prediction tournaments, is expected to benefit from the 3 hours per week time restriction that has been placed by the Chinese government on gaming for under 18's. SportsHero believes that this gaming restriction has presented a huge opportunity for the capture of a significant Chinese demographic that is already heavily engaged in the sector."

"As such, SportsHero is delighted to have secured the expertise of such a high-profile Chinese celebrity and influencer to execute and implement SportsHero's Chinese growth objectives."

"Our prediction platform is designed to seamlessly integrate with the entire user base of large gaming communities, which Sherry will be instrumental in introducing to SportsHero."



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## Consultancy Agreement

On 8 December 2021, the Company entered into a Consultancy Agreement with Ms Chen to secure her services (**Agreement**). Pursuant to the Agreement, Sherry has been engaged as the Company's Head of eSportsHero, China for an initial term of 12 months (commencing 1 January 2022). The Agreement can be terminated by either party giving the other party 3 months written notice.

In line with the interests of all shareholders, Sherry's remuneration package is predominantly performance based and is focused on share price performance hurdles.

Subject to the receipt of shareholder approval and Ms Chen being continuously engaged by the Company for the period 1 January 2022 to 31 December 2022, SportsHero has agreed to issue Ms Chen the following securities:

- 2,500,000 fully paid ordinary shares (**Shares**);
- 2,500,000 performance rights to acquire 2,500,000 Shares (**Performance Rights**). The milestone to be achieved in order for the 2,500,000 Performance Rights to be converted into 2,500,000 Shares is the volume weighted average price for SportsHero Shares traded on ASX over 7 consecutive trading days during the period ending 31 December 2022 exceeding \$0.10;
- 1,000,000 options each exercisable at \$0.03 and expiring 31 Dec 2024, 1,000,000 options each exercisable at \$0.05 and expiring 31 Dec 2024, 1,000,000 options each exercisable at \$0.10 and expiring 31 Dec 2024, 1,000,000 options each exercisable at \$0.20 and expiring 31 Dec 2024, 5,000,000 options each exercisable at \$0.50 and expiring 31 Dec 2024 and 5,000,000 options each exercisable at \$1.00 and expiring 31 Dec 2024,

collectively the **Securities**.

All Shares issued following the conversion of Performance Rights and/or the exercise of options will be held in voluntary escrow for a period of 12 (twelve) months from their date of issue.

Given that ASX Listing Rule 7.3.4 requires that the Securities be issued no later than 3 months after the date of receipt of shareholder approval, the Board of SportsHero expects that shareholder approval for the issue of the Securities will be sought at the Company's 2022 Annual General Meeting.

Other terms and conditions of the Agreement are considered standard for an agreement of this nature.

## Authorised for release by the Board

Michael Higginson  
Company Secretary

<sup>1</sup> Source: <https://www.statista.com/statistics/490522/global-esports-market-revenue/>

<sup>2</sup> Source: <https://www.statista.com/statistics/873192/china-growth-rate-of-e-sports-revenue/>

<sup>3</sup> Source: <https://www.bloomberg.com/news/articles/2021-08-30/china-limits-minors-to-just-three-hours-of-online-gaming-a-week>



## Appendix A

### Achievements

**2021:** King Pro League Autumn Season, 3rd Place

**2020:** King Pro League Spring Season, 1st Place

**2019:** Korea King Pro League Spring Season, 2nd Place

**2018:** Korea King Pro League Autumn Season, 2nd Place

**2017:** World Cyber Games National Championships, 2nd Place

**2016:** Established the Nvidia Game Festival Female Competition

#### **2015:**

- League of Legends LPL Spring Season, 1st Place
- FIFA IEM International Championship, 2nd Place
- Hearthstone, 1st Place
- Smite Tencent Global eSports Arena 1st Place Champions, Top 8 in the World
- Heroes of the Storm, 1st Place

#### **2014:**

- League of Legends LPL, 2nd Place (First record of no Korean teams with a 50-kill win);
- Smit Tencent Global eSports Arena 1st Place, Top 8 in the world

#### **2013:**

- Starcraft 2 Nvidia Game Festival, 2nd Place
- League of Legends World Gamemaster Tournament, Season Champions

**2012:** League of Legends Tencent Global eSports Arena, Season Champions

#### **2011:**

- Changsha League of Legends 2nd Place, Top 8 in the Country (First female player to reach top 8 in China);
- Honorary League of Legends Representative

#### **2010:**

- World DOTA Championship International Championship, 1st Place;
- Sendi Mutiara Multimedia Grand National DOTA Tournament, 2nd Place

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