Foreword

The CBA League is on the eve of its 25th season as the highest level of men's professional basketball in China. Looking back, the League has made a critical contribution to the game, but more broadly to the development of sports in China. We are confident our efforts to leverage technology, upgrade the professional game and create a more complete game is winning with fans. You can count on the League continuing to act as an engine of innovation. We trust that the League will deliver on its potential and are confident long-term, stable growth will translate into increased commercial success. Over the next five years, CBA 2.0 will see the League make basketball more exciting and relevant by providing a more intimate fan experience, shaping a brand image that resonates more strongly with younger audiences, establishing a complete commercial ecosystem, and implementing more reasonable club access.

Together with the 20 clubs that make up the CBA family, we will work with coaches, athletes, referees and staff from across the game. We will be bold in innovation and steadfast in execution as we continue to upgrade the professionalism of the game at every level, from league management to player. We hope to collaborate with partners from all aspects through this whole journey to create a top-notch league that is truly our own, and make the CBA the most influential sport league in China!

Yao Ming
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Driven by the government's financial support, policy introduction, and investment, China's sports industry has grown rapidly.

League quality and commercial performance have been increased, while reforms to boost the professionalism and fairness of the league have met with remarkable success.

Basketball has become a popular sport with a huge fan base.

Healthy growth has attracted interest from investors with the CBA league seen as one of the top sporting properties in China.

A revitalized youth system and the opportunity to host the 2019 FIBA World Cup are expected to further stimulate basketball and wider interest in sports.

The CBA League has been evolving across 24 seasons.

Reforms to improve the competition have entered a new, CBA 2.0 era that is intended to secure the long term success of the league through stronger youth development and standardized contracts.

The results of these reforms are already evident in a league that is more balanced, unpredictable and exciting to fans.

Engaging fans through traditional, digital and social media is further increasing the influence and commercial performance of the league.

The CBA generates not only commercial revenue but value shared with the five major stakeholders responsible for the league’s success.

Broadcasters, sponsors, clubs, players, and fans.

These stakeholders share a common interest in the development of a sustainable and healthy CBA league.
FIBA Basketball World Cup China has upgraded its basketball infrastructure as part of preparations to host the 2019 FIBA Basketball World Cup. With 32 national teams competing across 8 cities the event is set to further boost the sport’s profile.

Set for continued, robust growth
Boosted by increasing government spending, China’s sports industries are expected to be worth 5 trillion RMB by 2025.

Booming commercial appeal
League and sporting event sponsorship has become a crucial vehicle for corporates to boost brand awareness.

Basketball the standout performer
With a huge fans base, star players, and a strong, professional league, basketball is set to remain one of the most commercially value sporting IPs.

Increased professionalism through enhanced governance
Under the leadership of the State General Administration of Sports, and President Yao Ming the CBA is delivering on reforms to boost talent development, infrastructure and commercial performance.

FIBA Basketball World Cup
China has upgraded its basketball infrastructure as part of preparations to host the 2019 FIBA Basketball World Cup. With 32 national teams competing across 8 cities the event is set to further boost the sport’s profile.
Positive Growth
Continued Government spending on culture, sports & media and entertainment is support

Consumer spending on sports has been increasing by 60% in 5 years, backed by increased government efforts to grow sports and provide more facilities for people to exercise.

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China’s sports industry is expected to worth 5 trillion RMB by the end of 2025

- In 2018, the state’s expenditure on national culture, sports & media and entertainment exceeded 350 billion RMB. The government’s financial support is providing a foundation for the vigorous development of the sports industry.

- The number of sports industry GDP presentation gap between China (1.0%) and developed countries such as US (3.0%) and Japan (2.5%) is decreasing. The guidance issued by the State Council and the State General Administration of Sport indicates that the sport industry’s total value is expected to reach 3 trillion RMB by 2020 and 5 trillion RMB by 2025. The increasing Chinese consumption on culture, education, entertainment and sports becomes a main driver of the development.

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Sources: National Bureau of Statistics, General Administration of Sport; Deloitte interview, research and analysis
Capital Investment

After reaching record levels of investment in 2015-16, the industry has become more rational and focused on developing prime properties and securing value.

(Unit: Number of investments)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>248</td>
</tr>
<tr>
<td>2016</td>
<td>278</td>
</tr>
<tr>
<td>2017</td>
<td>214</td>
</tr>
<tr>
<td>2018</td>
<td>132</td>
</tr>
</tbody>
</table>

The number of domestic sport investments reduced year by year since 2016, with aggregated annual growth rate of -31%.

Average Value of Sports Investment (2015-2018)
(Unit: Million RMB/project)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>37.0</td>
</tr>
<tr>
<td>2016</td>
<td>75.0</td>
</tr>
<tr>
<td>2017</td>
<td>67.0</td>
</tr>
<tr>
<td>2018</td>
<td>123.0</td>
</tr>
</tbody>
</table>

Sporting assets are still popular with Chinese investors:

- Investments peaked in 2016, when a surge in projects saw an annual growth rate of 84%.
- From 2017 onwards capital investment has become more focused on quality.
- In 2018, investment remained rational, however the business environment for sports remains highly positive and the industry is expecting to see investments climb again with a continued focus on prime assets.

Strong focus on prime IP:

Compared to 2017, the average value of single investments has increased by 85%. In 2018, the average value of single project reached 123 million RMB.

Sources: IT JUZI; Deloitte interview, research and analysis

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Capital Investment
Sponsoring sporting events has become popular with companies looking to raise brand awareness

The quantity and quality of sponsors, and the value of sponsorship to China’s top division has grown strongly

Sponsorship categories have become more diversified

- The sports industry attracted only a small number of sponsors 14 years ago
- In 2019 the number of industries involved in sports sponsorship reached 11.
- Professional football and basketball are the most premier sporting properties, taking up to 80% of the Chinese sports sponsorship market

Sources: Public Sources, CBA Ltd.; Deloitte interviews, research and analysis

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Commercial Potential

A thriving league, increased international IP and a popular national team have increased sponsor interest in basketball over the past ten years.

Sources: Deloitte interview, research and analysis
Commercial Potential
A huge fan base boosted by an increased number of star players has raised the league’s commercial potential

01 Fan Base

Number of Weibo followers for CBA and NBA teams

100 million

Monthly active users. HUPU, one of China’s most popular basketball BBS platforms

55 million

Tencent Sports, one of the major media rights owners of basketball leagues, covers

482 million

143 million

133 million

Independent users

Live streaming users

Viewership peak

02 Star Players

Yi Jianlian

- 4x CBA Domestic MVP
- 3x CBA FMVP
- 5x CBA championships
- 2x MVP FIBA Asia Championship
- 6th pick 2006 NBA draft
- Weibo followers 14.49 million

Guo Ailun

- 5x CBA All-Star
- 1x CBA championship
- 1x FIBA World Youth Championship - Top Scorer
- 1x Asian Youth Basketball Championship MVP
- Weibo followers 3.08 million

Notes: 1. Game seven of the NBA final in the 2015-2016 Season
Source: Sina Weibo, General Administration of Sport, CBA Ltd.; Deloitte interviews, research and analysis

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League Reforms
Efforts to improve league professionalism commercialization, talent and infrastructure are transforming the game

1. Higher Quality
   - Improvements in the number of matches, youth development and team balance have boosted the popularity of the game
     - The regular season has increased to 46 rounds; with playoffs now contested by 12 teams
   - Referee reports and performance reviews have improved the professionalism and fairness of game adjudication
     - Since the 18-19 season, the replay center is used to help referees with disputable calls
   - Standardized player contracts and career development support put in place

2. Commercial Performance
   - A 5-level sponsorship structure now drives the league’s commercial development
     - The number of sponsors and value of sponsorship has risen significantly, digital media partners have also been added, enhancing commercial value
     - The overall revenue has reached the “billion era”
   - Club profits are growing
     - The average distribution bonus to clubs increased by 70%-80% in 17-18 season
     - In the new season, increased 9 inventory rights

3. Larger Talent Pool
   - The academy system has been revitalized
     - Signed strategic MoU with the Student Sports Association of the Ministry of Education
     - Introduced the “Little Basketball” plan
     - Strengthened relationship between CUBA and CBA
   - Team Red and Team Blue launched to accelerate elite player development
     - The two teams have developed several young talents for the national team

4. Improved Infrastructure
   - “Club Guide for Large Stadium Commercial Development”, encourages large (10,000 capacity) venue
     - 8 stadiums have a capacity over 10,000

Sources: General Administration of Sport, CBA Ltd.; Deloitte interview, research and analysis
League Reforms

CBA 2.0 is set to change the league’s operating model and strengthen connection with fans

Working with clubs to upgrade brand image

- Club identities are set to become more distinctive with name changes that play on city characters
  - Beijing Fly Dragon → Beijing Royal Fighters
  - Shenzhen Leopard → Shenzhen Aviators
  - Tianjin Gold Lion → Tianjin Pioneers
  - Shandong Jinxing → Shandong Heroes

- New club logos are more visually creative and thematic

   ![Club Logos]

   - In May 2019, 9 clubs officially released their new logos, kicking off the "CBA 2.0 Branding Upgrade Plan"
   - All teams will have new logos in time for the 2020/21 season

Notes: 1. Club names and logos until the 2018/19 season
Sources: CBA Ltd.; Deloitte interview, research and analysis

Bringing in proven management to drive reform

- On 24 May 2019, David Wang became the first CEO of CBA Ltd.
- Prior to joining the CBA, David worked as Senior VP and COO and Chief Marketing officer for NBA China for over 10 years
- David led NBA China’s business in partnership, media rights, licensing, e-games, marketing and data strategies, and youth development

David Wang
CEO of CBA League (Beijing) Sports Co. Ltd.

The CEO’s mission will be to ensure strong, sustainable development of the league, with a focus on:

- Brand Building
- Competition Management
- Fan Engagement
- Commercial Development

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FIBA World Cup

In 2015 China won the rights to host the 2019 FIBA Basketball World Cup 32 top national teams will compete across 8 host cities

1950
First FIBA World Championship held in Argentina

2010
Japan hosted the 15th World Championship

2012
Turkey hosted the 16th World Championship

2014
Spain hosted the first World Cup

2014.12
China qualified as one of the candidates to host the 2019 World Cup

2015.8
China won the rights to host for 2019 World Cup

2019.9
FIBA World Cup to take place in China

Qualified Teams 2019 FIBA World Cup

Hosting Cities and Venues of 2019 FIBA World Cup

Notes: 1. The FIBA World Championship changed name to FIBA World Cup in 2012
Sources: National Bureau of Statistics, General Administration of Sport; Deloitte interview, research and analysis

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FIBA World Cup
As a world-class tournament the FIBA World Cup is expected to generate huge economic benefits

2014 FIBA World Cup generated €265 million for Spain

2014 World Cup was hosted by 6 cities across Spain

- Service sector income: €83 million
  - International visitors: 55,000
  - Spectators: 672,000
  - Average attendance rate: 80%+

- Additional value: €212 million
  - Event partners: 24
  - Advertising campaign aggregated days: 500+
  - Consumers covered: 40 million

Sources: FIBA, Spanish Basketball Association; Deloitte interview, research and analysis

© 2019. For information, contact Deloitte China.
FIBA World Cup
Chinese fans are excited at the prospect of hosting the FIBA World Cup

Will you follow 2019 Basketball World Cup hosted in China? (N=3,051)
- Yes: 82%
- No: 18%

How do you think hosting the World Cup will affect domestic basketball? (N=3,051)
- Enhance local players: 67%
- Promote league competitiveness: 60%
- Increase the fan base: 53%
- Attract more foreign talent: 27%
- Improve infrastructure: 26%
- Boost youth development: 18%

Over 80% of the fans indicate that they will follow the World Cup.
96% of basketball fans and 30% of non-basketball fans intend to follow the games.

Why would you like to follow 2019 Basketball World Cup? (N=2,497)
- Support the national team: 76%
- Just love basketball: 71%
- CBA star players: 42%
- International star players: 36%
- Hosted locally: 31%

Support for the Chinese national team is the primary driver of interest.
71% of fans said they would follow the world cup because they "just love basketball."

Fans reckon that hosting international tournament will enhance the Chinese basketball in multiple aspects.
67% of the fans agreed that the tournament will improve local players’ performance.

How do you feel about the Chinese national team’s chances? (N=2,497)
- Optimistic: 43%
- Slightly optimistic: 39%
- Neutral: 14%
- Slightly pessimistic: 2%
- Pessimistic: 1%

Over 80% of fans are optimistic about the prospects of the Chinese national team.
With stronger performances from Chinese players and positive national team results, the majority of fans are looking forward to seeing China play at the world cup.

Sources: Fan survey; Deloitte interview, research and analysis

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FIBA World Cup

Hosting the FIBA World Cup has provided an additional catalyst for the development of basketball in China

Foshan International Sports & Culture Arena

- World-class arena which can be used for sports, entertainment and events, with a size of 38,900 m²; 15,000 capacity; 56 VIP rooms; 2,300 parking spaces

New stadiums have been built ahead of the World Cup

The world cup has become a “hot topic”

- Baidu Searching Index “World Cup”

1. China wins hosting right
2. Team Red & Team Blue
3. Yang Chaoyue, FIBA World Cup draw

- Many local brands have become sponsors or partners of the 2019 World Cup increasing the commercial value of the event

- More Chinese companies focus on basketball events for sponsorship, generating additional value

Chinese players have the opportunity to go head-to-head with top international players, improving the league’s quality

- The national team is divided into Team Red and Team Blue to prepare for the World Cup. Outstanding young players such as Abudushalamu, Wu Qian have helped the national team re-claim gold at the Asian Games after an 8 year drought

Team Red

Team Blue

Compete

Enhance

Players’ Performance Improvement

Team Red and Team Blue

CBA League Commercial Performance Review White Paper

© 2019. For information, contact Deloitte China.
The league has had a nation-wide impact, with reforms improving the quality, fairness and commercial success of the league.

Exciting League
Scoring records continue to tumble with average rounds per game, field goal percentage on the rise. The quality of offensive and counter attacking play has increased along with technical and tactical sophistication.

Competitive Intensity
Narrower victory margins and closer win percentages among tier clubs showcases the league’s increased tension and spectacle,

Growing Viewership
Cumulative viewership reached a record 1.079 billion during the 2018-19 season.

Talent
The talent pool of the CBA League is complemented by fast growing youth pipelines. A continuous infusion of foreign talent, playing in their prime is helping to raise league quality and excitement.
CBA: 24-seasons of evolution
The CBA is a nation-wide phenomenon

31 teams drawn from 21 regions and 28 cities have participated in the CBA across its 24 year history. The 2019-20 season will see 20 teams compete.

Notes: 1. Relegation is not included 2. Club logos by the end of 2018-19 season
Sources: Public information; Deloitte interview, research and analysis

© 2019. For information, contact Deloitte China.
CBA: 24-seasons of evolution

After several rounds of reform, league quality has been significantly improved, with management becoming more market and fan-oriented

<table>
<thead>
<tr>
<th>95-96 Season</th>
<th>05-06 Season</th>
<th>17-18 Season</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chinese Men’s Basketball League</strong></td>
<td><strong>Chinese Men’s Basketball Professional League (CBA)</strong></td>
<td>“CBA 2.0 era”</td>
</tr>
<tr>
<td>Primarily military teams participating Promotion and relegation system</td>
<td>Improved professionalism and attracted more clubs Adopt admission system</td>
<td>Overall transformation of brand image Adopt new tournament systems</td>
</tr>
</tbody>
</table>

### Competition reform elements

<table>
<thead>
<tr>
<th>Number of Teams</th>
<th>10+ teams</th>
<th>Expanded to 20 clubs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular season rule</td>
<td>Double round-robin system; North and South divisions in 3 seasons from 04-05¹</td>
<td>4 groups/4 cycles</td>
</tr>
<tr>
<td>Play-off system</td>
<td>Top 8 teams enter into playoffs</td>
<td>Playoffs gradually expanded to 12 teams</td>
</tr>
<tr>
<td>Entry requirement</td>
<td>Adopted promotion and relegation system</td>
<td>Switches to admission system</td>
</tr>
<tr>
<td>Foreign player policy</td>
<td>2-3 foreign player quota²</td>
<td>Selected foreign player pool lower ranked clubs given selection priority</td>
</tr>
<tr>
<td>Player contracts</td>
<td>No standard contract</td>
<td>Standard contract formulation</td>
</tr>
</tbody>
</table>

Notes: 1. 06-07 season and 07-08 season suspended North-South system
2. Military teams cannot choose foreign player
3. Lower ranked teams in regular season allowed to choose an additional Asian foreign player

Sources: Deloitte interview, research and analysis

© 2019. For information, contact Deloitte China.
Exciting League
Starting from the 14-15 season, the league has developed a "striking wave" pattern with faster paced games and higher scoring rates increasing the thrill of each game.

Regular season average score per game and number of rounds (2006-2019)

<table>
<thead>
<tr>
<th>Season</th>
<th>Average Score Per Game</th>
<th>Average Rounds Per Game</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>105</td>
<td>90</td>
</tr>
<tr>
<td>2007-08</td>
<td>110</td>
<td>95</td>
</tr>
<tr>
<td>2008-09</td>
<td>105</td>
<td>95</td>
</tr>
<tr>
<td>2009-10</td>
<td>110</td>
<td>100</td>
</tr>
<tr>
<td>2010-11</td>
<td>115</td>
<td>105</td>
</tr>
<tr>
<td>2011-12</td>
<td>110</td>
<td>105</td>
</tr>
<tr>
<td>2012-13</td>
<td>115</td>
<td>110</td>
</tr>
<tr>
<td>2013-14</td>
<td>105</td>
<td>110</td>
</tr>
<tr>
<td>2014-15</td>
<td>110</td>
<td>115</td>
</tr>
<tr>
<td>2015-16</td>
<td>115</td>
<td>120</td>
</tr>
<tr>
<td>2016-17</td>
<td>120</td>
<td>125</td>
</tr>
<tr>
<td>2017-18</td>
<td>125</td>
<td>130</td>
</tr>
<tr>
<td>2018-19</td>
<td>130</td>
<td>135</td>
</tr>
</tbody>
</table>

Since 14-15 season average scores and field goal percentage have increased significantly.

2018-2019
Stat Summary

- Average score per game: 107.3 Pts
- Average number of rounds: 93.8 rounds
- Score per 100 rounds: 114.4 Pts

Sources: CBA Ltd.; Deloitte interview, research and analysis

© 2019. For information, contact Deloitte China.
**Exciting League**

Gameplay has come to be typified by fast break, give-and-go tactics that increase the drama and spectacle of each game.

---

### Average three-point field goal attempts and % in overall attempts in regular seasons (2006-2019)

<table>
<thead>
<tr>
<th>Season</th>
<th>Average Number of Attempts</th>
<th>Three-pointer % of Attempts</th>
</tr>
</thead>
<tbody>
<tr>
<td>06-07 season</td>
<td>25</td>
<td>28%</td>
</tr>
<tr>
<td>07-08 season</td>
<td>27</td>
<td>30%</td>
</tr>
<tr>
<td>08-09 season</td>
<td>25</td>
<td>32%</td>
</tr>
<tr>
<td>09-10 season</td>
<td>29</td>
<td>34%</td>
</tr>
<tr>
<td>10-11 season</td>
<td>27</td>
<td>36%</td>
</tr>
</tbody>
</table>

The Golden State Warriors NBA championship win in 14-15 season, popularized three-point field goal strategies.

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### Record three-point field goal in 18-19 season

- **Three-point field goal attempts**: 9,591 times
- **Total score of three-point goal**: 28,773 Pts
- **Three-point shot percentage**: 35.7%

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Sources: CBA Ltd.; Deloitte interview, research and analysis
**Exciting League**

A referee upgrade-downgrade assessment system has improved the fairness of matches and increased the unpredictability of results

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The 2018-2019 season, saw a new record in away team win % during the play-offs

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### Away team win % in regular season and playoffs

- **Winning% in regular season**
- **Winning% in playoff**

---

**Balanced foul calls 18-19 season**

- **Number of fouls per game**: 23.5 times
- **Number of free throws per game**: 24.5 times
- **Road team winning rate**: 40.0%

---

Sources: CBA Ltd.; Deloitte interview, research and analysis

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Competitive Intensity
Narrower victory margins and closer win rates showcase a tighter, more competitive league

Win percentage distribution (2005-2019)

Closer win percentages among top tier clubs show how the competition has become more dramatic for fans

- The win percentage of the 12th placed playoff club climbed to 50% in the 18-19 season, the highest level in 15 years

Competition for playoff qualification has become increasingly intense

- In the 18-19 season the 13th placed team was only one winning game behind the 9th

Sources: Beita; Deloitte interview, research and analysis

© 2019. For information, contact Deloitte China.
Competitive Intensity
Since the 2011-2012 season the number of play-off rounds extending beyond Game 5 has increased, The 2017-2018 season saw the CBA’s first 7 game round

Play-off series results¹ (2005-2019)
Unit: Number of teams

<table>
<thead>
<tr>
<th>Results</th>
<th>Prior to 2011-2012 season</th>
<th>Post 2011-2012 season</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Since the 2015-2016 season, 10 final rounds have gone beyond Game 5
The increase in "win-or-die" games has heightened excitement and fan engagement

Game 6
A leading team reached an impasse in the final round but ultimately win.

17-18 season Quarterfinal: Zhe Jiang 107 : 98 Shen Jiang
13-14 season Semifinal: Guang Dong 102 : 110 Bei Jing
12-13 season Quarterfinal: Xin Jiang 115 : 110 Liao Ning
11-12 season Semifinal: Xin Jiang 109 : 88 Dong Guan
11-12 season Semifinal: Bei Jing 110 : 98 Shan Xi
07-08 season Quarterfinal: Jiao Su 113 : 108 Fu Jian

Game 4
A team with losing point finally turned the tables.

18-19 season Quarterfinal: Shen Zhen 118 : 107 Bei Jing
16-17 season Quarterfinal: Shang Hai 95 : 102 Shen Zhen
06-07 season Quarterfinal: Liao Ning 102 : 88 Fu Jian

Playoff finals reach new level of drama

- 80% of games were won by the home team
- Shenzhen became the first team to win a series after trailing 2-0 start in 18-19 season
- Shenzhen became the first team to complete two turnarounds
- Zhejiang became the first team to go to Game 5 or Game 7 during a single playoff series

Notes: 1. Not include 8 out of 12 series in 17-18 season and 8 out of 12 series in 18-19 season.
Sources: CBA Ltd.; Deloitte interview, research and analysis
### Talent

The CBA has become an attractive league for top international players at their peak.

Between 2005 and 2019 the CBA has attracted **370 talents** from overseas.

- **International talent are recruited at prime playing age**
  - The age profile for peak performance in basketball is between **28-32**
  - The average age for foreign players during the 18-19 season was **29**
  - **70%** of foreign players were at peak playing age during seasons 17-18 and 18-19.

The number of new foreign players that can be registered per season is subject to league rules, generally **20-30** foreign players join the league every year.

Sources: Beitai; Deloitte interview, research and analysis.
The quality of foreign recruits continues to rise as the league becomes more attractive. In the 2018-2019 season, the average points for foreign players reached a record 24.2.

Rebound and assists stats highlight increased talent levels.

The influence of foreign players has boosted, not crowded out local talent:
- Foreign player scoring percentages have remained stable.
- In the 2018-2019 season 46.5% of scores were by foreign players. This is the second lowest level since the 2012-2013 season.

Points distribution for foreign players (2005-2019)

- Lowest points of foreign players
- Highest points of foreign players
- Average points of foreign players
- Percentage of foreign players' points

Sources: Beita; Deloitte interview, research and analysis

© 2019. For information, contact Deloitte China.
Talent

Local stars are getting younger with the league’s pro-talent pipeline starting to produce and opportunities for younger players continuing to open up

Performance analysis of individual All-Star players\(^1\) 18-19 season

Local players are getting younger as the league’s academy system starts to deliver

- The league’s academy/training system ensures the future development of Chinese basketball

CBA local All-Star players’ Average Age

- In 18-19 season the average age of local all stars fell to 25, the youngest level since 06-07 season

Notes: 1. Representative players are selected with age below 26 in 18-19 season. Performance data of Wang Zhelin is not complete due to his 80% absence of games in 15-16 season.

Sources: CBA Ltd.; Deloitte interview, research and analysis

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Increased Popular Appeal

Viewership of the CBA reached a record 1.079 billion for the 2018-19 season

Increased coverage has created a broader platform for sponsors to gain exposure

The 4,151 games broadcast on CCTV and local TV stations equates to 6,809 hours of basketball

Notes: 1. Including data for CCTV and local TV stations, but not for new media
   Sources: CBA Ltd., CSM; Deloitte interview, research and analysis

© 2019. For information, contact Deloitte China.
Increased Popular Appeal
The CBA has expanded league promotion efforts beyond traditional media channels. More than 50% fans follow CBA through the league’s official Weibo account.

Primary channels to follow CBA

<table>
<thead>
<tr>
<th>Channel</th>
<th>Cumulative number of users/fans</th>
<th>Number of posts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official APP</td>
<td>135,526</td>
<td>1,646</td>
</tr>
<tr>
<td>Official WeChat</td>
<td>56,635</td>
<td>794</td>
</tr>
<tr>
<td>Official Weibo</td>
<td>2,130,128</td>
<td>5,089</td>
</tr>
</tbody>
</table>

Primary social media platforms used by CBA fans

- League’s official Weibo: 56%
- League’s official WeChat: 49%
- League’s official APP: 27%
- Clubs' Weibo: 30%
- Clubs' WeChat: 29%
- Star players' Weibo: 25%
- League’s official Douyin: 22%

Sources: Fan Survey; Deloitte interview, research and analysis

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Commercial Performance

The development of the CBA creates value not only for the league, but the five major stakeholders that directly contribute to its development.

- **CBA League**
  CBA League (Beijing) Sports Co. Ltd. organizes and manages the league.

- **Broadcasters**
  Serve as media intermediaries expand the reach of the league.

- **Sponsors**
  Serve as the marketing channel for the league creating brand exposure and value.

- **Clubs**
  Clubs participate in the league, their performance defines how it is perceived in terms of quality and attractiveness.

- **Players**
  Players are the core assets of the league, driving the intensity of matches and raising awareness with fans and public.

- **Fans and Public**
  Fans and public are the ultimate consumers of basketball and the foundations of the league’s economy.
The Role of CBA League (Beijing) Sports Co. Ltd.

From 2005, the CBA granted commercial development rights to Infront Sports & Media.

League management and administration effectively separated with the establishment of CBA League (Beijing) Sports Co. Ltd.

The CBA League becomes an autonomous business entity with the CBA formally transferring all equity holdings.

Notes: 1. The holding party is the China Basketball Association’s wholly-owned subsidiary (Beijing Zhonglian Juren Advertising Centre)
Sources: CBA, State Administration for Market Regulation; Deloitte interview, research and analysis
Broadcasters
The league’s success creates a virtuous circle that benefits all stakeholders

Broadcasters both drive and benefit from increasing viewership.

### Benefits to broadcasters

- **Increased value of advertising**
  Bigger audiences and greater reach increases advertising revenues.

- **Demand for premium content**
  Demand for premium content boosts subscription revenues.

- **Revenue growth via rights distribution**
  The value appreciation of the league will distribute broadcast rights to various platforms and obtain a larger price difference.

- **Co-branding and content collaboration opportunities**
  Program synergies and product placement.

### Benefits through broadcasters

- **Upstream industry development**
  Increased investment in broadcasting-related industries that improve viewing experience and broadcast quality.

- **Employment creation**
  Increased demand for new, value-add jobs across multiple industries.

- **Increased tax contribution**
  Increased tax contributions via traditional and digital media.

- **Promotion of sports culture**
  Viewers are encouraged to take up sport and participate in sports further expanding basketball’s future fan base.

Sources: Deloitte interview, research and analysis

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The broadcast of CBA League has always been high priority events. In recent years, with increasing CCTV viewership, broadcast value has been highly appreciated. Meanwhile, various league reforms have promoted mutual cooperation. …

--- CCTV-5

"...The CBA League is one of the top sports events in China. The establishment of CBA company, and the event of Yao Ming becoming the Chairman of the Basketball Association and Chairman of the CBA have all promoted the cooperation between new media and the league. In recent years, the ratings of CBA new media have also increased significantly...."  --- Tencent Sports

Sources: CBA; Deloitte interview, research and analysis

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Sponsors
The league’s success creates a virtuous circle that benefits all stakeholders

Benefits to sponsors

- **Increased brand awareness**
  Targeted access to an expanding fan base.

- **Sales growth**
  League association and player endorsements boost product sales.

- **Brand premium**
  Opportunities to tailor brand perception to different audiences generates greater brand value.

- **Driving trial and consideration**
  Exposure through the league can open up new target consumers.

Benefits through sponsors

- **Stimulating economic growth**
  Increased profits enables investment and consumption in upstream industries.

- **Employment creation**
  As sales volume increase enterprises will increase employment to meet demand.

- **Increased tax contributions**
  Higher profits lead to an increase in government tax revenue.

- **Attracting capital investment in sports industry**
  Commercial success helps to fuel larger sponsorship deals and investment into sports.

Sources: Deloitte interview, research and analysis

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Sponsors

Sponsorship opportunities are increasing, and paying dividends

**Increased commercial rights mean increasing opportunity**

**Brand Rights**

- Authorized title and logo
  - Officially authorized title of the league and category exclusivity rights
  - Production and sale of CBA league and sponsor co-branding products

- Complementary tickets

- Merchandising

**Exposure rights**

- Arena marketing activities
  - Advertisements, including LED displays + cheer sticks
  - Half-time and off-site promotion activities

- Official products and owned media
  - Official brochures, owned media platform, press interview background board, etc.

**Player rights**

- Endorsements
  - Personal right of groups of three or more players
  - CBA League licensing photographs and videos

- Advertising campaigns
  - Players shooting ads and attending marketing campaigns in their home cities

---

**Did you pay attention to sponsor brands in sports events, sports stars or other sports activities? (N=3,051)**

- Often: 38%
- Occasionally: 32%
- Always: 18%
- Seldom: 12%

**What is your view of sponsor brands appearing in sports events or sports activities? (N=3,051)**

- Supported: 74%
- Neutral: 24%
- Opposed: 2%

**Nearly 90% of fans pay attention to sponsor brands in sports events**

**74% of fans reacted positively to brand exposure.**

Sources: Fan Survey; Deloitte interview, research and analysis

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CBA League Commercial Performance Review White Paper
Sponsors
Sponsors recognize both the returns and future benefits of association with the CBA

CBA league sponsors 2018-2019 season

Main Sponsor

Strategic Partner

Cooperative Partners

Official Sponsors

Official Suppliers

Media Cooperative Partners

Official Timer

“...In recent years, league reform has driven sponsors to gain more exposure and better publicity. At the same time, the league has actively introduced the competition theme, which has attracted more interest of fans and enhanced the brand images of companies...” --- A Sponsor

“...A series of reforms in CBA League promoted the improvement of professionalism, the emergence of young players and the enhancement of performance of Chinese professional basketball, established a more positive brand image for TCL, and consolidated the cooperation between two sides...” --- TCL

“...The broadcast time of CBA events is friendly. Most fans belong to the sports-related population, showing a younger trend. The fans have a high sense of belonging to the home team and have a high degree of participation, demonstrating unique commercial value for the company....” --- A Sponsor

“...CBA league shows an excellent development trend. The establishment of an independent commercial company with the separation of CBA league management and administration, conforms to the commercial laws of the market and plays a positive role in promoting CBA and sponsor brands...” --- TAG Heuer

Sources: CBA; Deloitte interview, research and analysis

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Clubs

The league’s success creates a virtuous circle that benefits all stakeholders

The value of the CBA league and its member clubs are interlinked. Success for one, creates success for all.

Benefits to the clubs

Robust funding
As shareholders, clubs receive annual funding from the league, which grows as the commercial value of the league increases.

Increased sponsorship revenue
Increased number and sponsor quality means larger deals.

Increased ticket revenues
A more enthusiastic and engaged fan base means higher gate receipts.

New revenue opportunities
League success opens up commercial opportunities in areas such as merchandizing for clubs.

Sources: Deloitte interview, research and analysis

Benefits through the clubs

Stimulating infrastructure construction
Servicing a larger fan base means the construction and maintenance of larger, more modern arenas and training facilities.

Youth development
Increased clubs revenue stimulates investment academy facilities and youth engagement to develop the next generation of talent.

Employment opportunities and added tax value
Successful clubs generate employment and tax.

‘Sports + e-sports’ ecosystems
The China Basketball Club E-sports League promotes the integration of e-sports with traditional sports.
Clubs
Enhancing the fan experience creates economic opportunities for both clubs and host cities

Arenas attract visitors and boost overall in-bound tourism

Sichuan Gymnasium
Sichuan Jinqiang Blue Whales Club is located in the centre of Chengdu. It is only 5 kilometers from popular tourist sights such as the Broad and Narrow Alley, and Temple of Marquis Wu.

Tianhe Stadium
Tianhe Sports Center the home of the Long-Lions club is collocated in Guangzhou’s main stadium.

Note: 1. Club Names by 2018-19 Season
Sources: Deloitte interviews, research and analysis

Renovating and upgrading arenas to enhance fan experience

Liaoning Hengrun Flying Leopard Basketball Club
In March 2018, Liaoning Hengrun Flying Leopard Basketball Club began to use Liaoning Gymnasium.

Sichuan Blue Whales Basketball Club
In August 2018, the construction of Sichuan Jinqiang International Event Center, which was invested by Zhou Shiqiang, Chairman of Sichuan Basketball Association and Chairman of Jinqiang Group, started in Wenjiang, Chengdu; The arena uses the gymnasmium of NBA’s Golden State Warriors as reference, and will become the main arena for Sichuan Men’s Basketball Team in the future.

Guangzhou Long-Lions Basketball Club
In April 2019, Long-Lions Club officially made Tianhe Stadium their home became the only CBA club that directly operates the home stadium.

Jilin Northeast Tigers Basketball Club
In 2019, Jilin Northeast Tigers Club invested about 15 million yuan to build and renovate the Northeast Tigers Sports Center. The complex covers about 10,000 square meters, with six indoor basketball courts and ten professional badminton courts.
**Guangdong Hongyuan Youth Team**

Hongyuan became the first team in China to establish a professional youth system. The team relies on scouting and basketball camps to recruit talent.

- **Established:** 1996
- **Training Base:** Cooperates with Houjie Shangfeng to run training camps
- **Faculty:** Qu Shaobin, current head coach, introduced advanced youth training methods based on European basketball, to cultivate the top guard talents
- **Major Achievements:** Graduates include Du Feng, Zhu Fangyu, Wang Shipei, Chen Jianghua, Yi Jianlian, Liu Xiaoyu, etc.

**Shenzhen Aviators Youth Team**

The team sends players to the United States for special training, and cooperates with Shenzhen Sports School to provide a pipeline for its youth team.

- **Established:** 2003
- **Training Base:** Invested 300 million yuan to build its own training base
- **Faculty:** Hired famous coaches such as Zhang Yongjun, Ma Yuenan, Li Qun, Wang Jianjun and Al Gore, the godfather of basketball in Australia
- **Major Achievements:** Cultivated top basketball players including Gu Quan, Li Muhao, He Xining, etc.; Won National Youth Basketball League Championship for three times (2009, 2012, 2016)

**Zhejiang Guangsha Youth Team**

The club cooperates with Zhejiang Provincial Sports Bureau to bring in high potential talent.

- **Established:** 2005
- **Training Base:** Establish Zhuji Junma Basketball Training Base
- **Faculty:** Hired Li Chunjiang
- **Major Achievements:** Won the CBA Club Reserve Team championship in season 17-18, and U19 league championship; Won championship for all youth basketball matches hosted by Chinese Basketball Association

**Xinjiang Guanghui Youth Team**

Xinjiang Youth Training Team has become increasingly mature in recent years, with high-level coaches and players, providing talents for the top basketball teams.

- **Established:** 2006
- **Training Base:** Built two training bases in the east of China
- **Faculty:** Hired Gao Shumin and Jiang Zhengxiu, the former head coach of the South Korean national team
- **Major Achievements:** Cultivated top basketball players including Kelanbaike, Xirelijiang, Abudushalamu; Obtained championship of National Youth Basketball League and National Basketball Club Youth League in 2014

Notes: 1. Club Names as of 2018-19 Season; 2. Previous name is Shenzhen Leopard

Sources: CBA; Deloitte interview, research and analysis
Players

The league’s success creates a virtuous circle that benefits all stakeholders

Players are the core asset of the CBA league as well as one of the key factors determining the viewing quality.

Benefits to players

- **Increased salaries**
  Training and game time drives players value and contract terms.

- **Commercial rights**
  Star players can command fees for image rights and brand endorsements.

- **Personal branding**
  Media exposure allows players to develop their own following and personal branding.

- **Career opportunities post retirement**
  Wealth, recognition and reputation opens up multiple career paths in sports and business.

Benefits through players

- **Inspiring the next generation and driving talent Investment**
  Player success attracts new talent into sports and investment to youth development.

- **Building community culture**
  Individual players can act as sporting and cultural role models.

- **Stimulating consumer spending**
  Athletes drive product sales.

- **Expanded economic impact**
  Sports-related businesses (e.g., Entertainment activities, personal brands, etc.) carried out by players increase accelerate the development of sports industry.

Sources: CBA; Deloitte interview, research and analysis

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Players
Standardizing contract and legal rights

Defining contract types
- Type A: Rookie contract
- Type B: Protective contract
- Type C: Regular contract
- Type D: Maximum salary contract
- Type E: Veteran contract

Transfer compensation
Players are eligible for transfer after their contract expires, however the buying club must compensate the selling club for training expenses based on the average annual salary under the new contract.

Clarifying terms per contract types
- Including contract age, length, minimum salary, extension priority etc.

Providing guaranteed contract insurance for players
Insurance premium will be paid by clubs and players, mitigating occupational risk to players and reducing operating risk to clubs.

Trial buyout and matching rules
Clubs can unilaterally buyout players’ contract for non-injury reasons. For Type B players, the selling clubs can exercise matching rights.

Carry out salary cap system
The CBA will implement a salary cap system to limit total salary level at each club, ensuring fair competition and promoting the well-balanced development of the league.

Further enhancing contracts
In addition to salary cap terms, labor relations, bonuses, incentives, retirement guarantees, type D contracts, insurance and buyout terms will be further improved in the official standard player contract.

Purpose
1. Level playing field
2. Sustainable development
3. Promotion of youth training
4. Player mobility, team balance

Sources: CBA; Deloitte interview, research and analysis
Players

Players act as social role models, supporting charities and promoting the values of the league

CBA All-Star Weekend offers players the change to give back to fan communities while promoting the best of basketball culture.

---

16-17
Beijing

Star players sang the theme songs of CBA All-Star Weekend at the opening ceremony

Zhai Xiaochuan, Abdushalamu, Hu Jingyu and Zhou Zhandong sang CBA All-Star Theme Songs at the opening ceremony of All-Star Game.

---

17-18
Shenzhen

Dunk King + in Youth Basketball Match

Zhang Jianhao, the All-Star Dunk King, met with players from the NYBO Youth Basketball Match of China Life encouraging them: "The future belongs to you."

---

18-19
Qingdao

Offering rookies a chance to shine

In 2019, a junior game was arranged as part of the warm up for the CBA All-Star for the first time. Youth players were given a platform to shine with star players Tao Hanlin, Wu Qian and Shi Deshuai providing on-site guidance.

---

Star players interact with fans during All-Star period

Star players Marbury, Dingyan Yuhang and Zhou Qi, met with fans, sharing skills and promoting basketball culture among teenagers.

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All-Star Weekend Campus Event at HKCU (Shenzhen)

Nearly 100 teachers and students participated in the three-point contest. Star players from the Shenzhen team, Gu Quan, Meng Duo and Yu Dehao, attended the event.

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Advocating marine protection

Star players Zhai Xiaochuan, Wang Zhelin and Fredette interacted with animals at Qingdao Haichang Polar Ocean Park, sharing their opinions on marine protection, and advocating social participation for marine conservation.

Sources: CBA; Deloitte interview, research and analysis

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Fans and Public
The league’s success creates a virtuous circle that benefits all stakeholders

Fans as the ultimate consumers of basketball drive the league’s economy.

Benefits to fans

Emotional well-being
Better arenas and better viewing experiences mean better service, engagement and fan satisfaction.

Events to engage with idols
The league and clubs regularly hold online and offline events to offer fans opportunities to interact with players.

A sense of belonging
Following a team enhances a person’s sense of belonging and connection to home cities.

A sense of community
Watching games with friends creates social bonds with fellow fans.

Benefits through fans

Boosting consumption
Sales growth of different categories of consumer goods, such as beverages, electronics etc.

Sports tourism
Fans drive the development of local tourism and related service industries such as restaurants, hotels, transportation etc.

Promoting fitness and sports culture
Active involvement in sports promotes fitness and a stronger national sports culture.

Improved public health and reduced medical expenses
Participation in support improves personal health and reduces the incidence of illnesses that put pressure on public health systems.

Sources: CBA; Deloitte interview, research and analysis
Fans and Public

Fan engagement with the league has been strengthened through recent reforms

Which keywords do you think best matches the CBA league? (N=3,051)

<table>
<thead>
<tr>
<th>Keyword</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firece</td>
<td>4.1</td>
</tr>
<tr>
<td>Professional</td>
<td>3.9</td>
</tr>
<tr>
<td>Fair</td>
<td>3.7</td>
</tr>
<tr>
<td>Good viewing experience</td>
<td>3.7</td>
</tr>
<tr>
<td>Suspenseful</td>
<td>3.6</td>
</tr>
</tbody>
</table>

What keywords would you use to describe the CBA? (N=2,404)

<table>
<thead>
<tr>
<th>Keyword</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vigorous</td>
<td>58%</td>
</tr>
<tr>
<td>Chinese</td>
<td>56%</td>
</tr>
<tr>
<td>Professional</td>
<td>48%</td>
</tr>
<tr>
<td>Rapidly developed</td>
<td>42%</td>
</tr>
<tr>
<td>Active</td>
<td>42%</td>
</tr>
<tr>
<td>well-known</td>
<td>38%</td>
</tr>
</tbody>
</table>

How have reforms improved the CBA League? (N=2,404)

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>brand awareness</td>
<td>4.0</td>
</tr>
<tr>
<td>Professionalism</td>
<td>4.0</td>
</tr>
<tr>
<td>Quality of clubs</td>
<td>3.9</td>
</tr>
<tr>
<td>Intensity</td>
<td>3.9</td>
</tr>
<tr>
<td>Fairness</td>
<td>3.9</td>
</tr>
<tr>
<td>Suspense</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Fans recognize the increased intensity of CBA League.

Fans are positive about CBA brand image.

Are you optimistic about the future development of CBA League? (N=2,404)

<table>
<thead>
<tr>
<th>Level</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very optimistic</td>
<td>52%</td>
</tr>
<tr>
<td>Optimistic</td>
<td>36%</td>
</tr>
<tr>
<td>Neutral</td>
<td>11%</td>
</tr>
<tr>
<td>A bit pessimistic</td>
<td>1%</td>
</tr>
<tr>
<td>Pessimistic</td>
<td>0%</td>
</tr>
</tbody>
</table>

Fans believe that continuous reforms are translating into a better league.

Nearly 90% of fans are optimistic about the development of CBA League.

Note: 1. The full score is 5 points, and the final score is calculated by the weighted average of fan options.
Sources: Fan Survey; Deloitte interview, research and analysis

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Fans and Public
The CBA has a positive impact on fitness and sports participation

More than 30% of CBA fans play 6+ hours of basketball a week.

Nearly 70% of fans spend more than an hour every day on sports-related media.

Nearly 80% of fans engage in sports with friends and family.

90% of fans encourage their children to engage in youth initiatives such as "Little Basketball".

Sources: Fan Survey; Deloitte interview, research and analysis
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