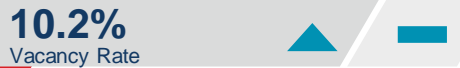
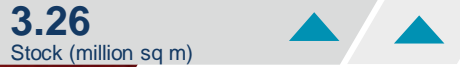


YoY Chg 12-Mo. Forecast



Source: Cushman & Wakefield Research

Market Overview

No new projects entered the Jinan retail market in 1H 2020, amid the COVID-19 outbreak, and the city's total stock of shopping mall space remained at about 3.26 million sq m.

The retail market was at a standstill in 1H under the impact of the pandemic. Overall average asking rent dropped 0.9% to RMB545 per sq m, and the vacancy rate rose 1.2 percentage points over the 2H 2019 level to reach 10.2%.

Financial difficulties forced some store closures during the pandemic period, but with the market now in a gradual recovery the number of store openings has gradually risen, notably for fashion retail brands. American sportswear brand Champion opened a first store in Jinan at Hang Lung Plaza, while YSL opened at Ginza Mall.

Outlook

The effects of the COVID-19 outbreak caused construction delays to many retail projects in Jinan, and the pace of new supply entering the market will slow further in 2H 2020. But looking ahead, with the impact of the pandemic easing new projects will gradually enter the market in 2021, resulting in a small peak of new supply.

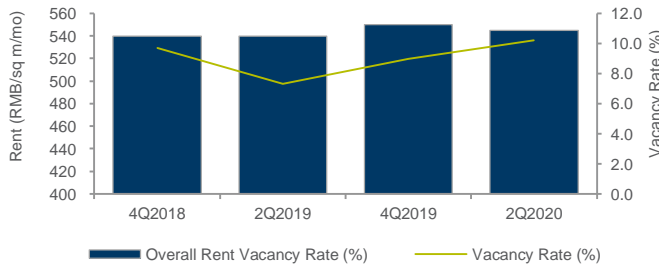
By the end of 2022, about 1.39 million sq m of new supply is scheduled to enter the Jinan retail market, including such famous mall brands as Aoti Longfor Paradise Walk, Sunac Mall and Joy City. The entry of these projects will give a significant uplift to the overall quality of retail projects and the shopping environment in the city.

JINAN ECONOMIC INDICATORS Q1 2020

YoY Chg 12-Mo. Forecast

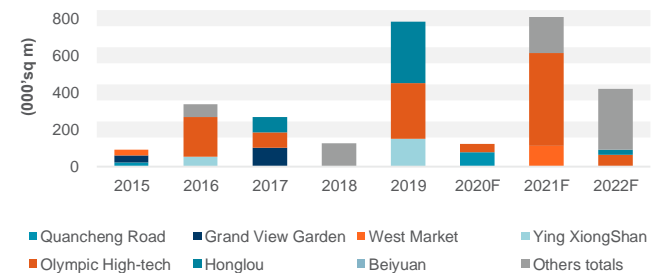


RETAIL RENT / VACANCY RATE



Source: Cushman & Wakefield Research

RETAIL SUPPLY PIPELINE BY SUBMARKET



Source: Cushman & Wakefield Research

Source: Jinan Statistics Bureau / Cushman & Wakefield Research

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	VACANT (SQM)	VACANCY RATE	UNDER CNSTR TILL 2023 (SQM)	ASKING RENTAL RANGE (RMB/SQMMO)*
Quancheng Road	482,000	38,160	11.6%	78,000	300 – 900
Grand View Garden	298,000	37,800	12.7%	0	150 – 450
West Market	210,000	14,200	8.4%	110,000	100 – 300
Ying XiongShan	472,000	57,100	12.1%	0	100 – 300
Honglou	848,000	70,550	8.3%	604,000	140 – 420
Olympic High-tech	438,000	47,500	13.1%	30,000	100 – 300
Beiyuan	230,000	15,000	9.6%	0	100 – 200
OTHERS TOTALS	280,000	12,500	4.5%	565,500	
JINAN TOTALS	3,258,000	292,810	10.2%	1,387,500	545

*Data includes shopping malls only.

*Asking Rental Range (RMB/sq m/mo) is based on ground floor rent in prime locations in major shopping centers, excluding management, promotional and other fees.

SIGNIFICANT STORE OPENINGS 1H 2020

PROPERTY	SUBMARKET	TENANT	SECTOR
Hang Lung Plaza	Quancheng Road	Champion	Leisure & Entertainment
Hang Lung Plaza	Quancheng Road	Bella	Leisure & Entertainment
Shimao International Plaza	Quancheng Road	Bestore	Snacks

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	EXPECTED OPENING DATE	SQM
Evergrande Plaza	West Market	2021	112,000
Sunac Mall	Olympic High-Tech	2021	230,000
Zhongyin Square	Olympic High-Tech	2022	62,000
Joy City	Other business circles	2022	140,000
Hua Shan UniPark	Other business circles	2022	160,000

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