CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
NINE(9) MONTHS ENDED SEPTEMBER 30, 2010

BOARD OF DIRECTORS STATEMENT

The Board of Directors of Kingston Properties Limited is pleased to present the Group's statement of comprehensive income for the nine months ended September 30, 2010.

Revenues totaled $22,538,527 for the review period. This was generated from rental income from the Miami Loft II and the Hagley Park Road properties. During the comparative period last year, the Carlton Savannah Hotel, the primary asset of the company, remained in construction and was not revenue generating.

Net income for the nine months was $2,790,139 reflecting $2,972,814 of unrealized foreign exchange loss. In the comparative period last year, net income of $15,766,672 consisted of $14,688,540 of unrealized foreign exchange gains.

Total comprehensive income for the nine months was negative $7,083,400 reflecting exchange differences on translation of foreign operations of negative $9,873,539. For the comparative period, total comprehensive income was positive $51,626,937 and included $35,860,265 of exchange difference on translation of foreign operations.

Property Operations

The properties owned by Kingston Properties continue to achieve their objectives as measured by revenue generation and occupancy. The long term lease at the Hagley Park Road property is performing as expected with rents received in a timely manner.

The condo units at the Miami Loft II building in downtown Miami are 100% occupied and are earning market level rents. All rental payments are current and market demand for the units is good. The attractiveness of the condo units and their location, which offers easy access to work, concerts, sporting events, performances, museums, shopping and more are appealing to tenants.

Of importance, a recent study commissioned by the City of Miami's Downtown Development Authority (DDA) found that condo sales and occupancy rates are on the rise. Specifically, the report highlighted that sales of downtown Miami condos were up 110% during the first six months of 2010, effectively shrinking the inventory of available condos in the market and driving average prices up 16%. Furthermore, the study found that condo and apartment rentals increased by 14% during the first six months of 2010 as well.

Balance Sheet

At period end, current assets of $259,772,111 consisted of $154,523,617 of cash and $91,248,843 of reverse repurchase agreements of which $145,851,320 represent collateral for notes payable at Pan Caribbean Bank. Investment properties totaled $418,179,981 and are the Hagley Park Road property and the 19 condominium units in the Miami Loft II building in downtown Miami.

Shareholders' equity at the end of the nine months was $491,460,219.

Earnings Per Stock Unit

Earnings per stock unit ("EPS") were 4 cents versus 22 cents in the comparative period of which 21 cents resulted from unrealized foreign exchange gains.

Recent Events

The company held its Annual General Meeting on September 9th. Shareholders passed resolutions to add two new directors: Ms. Lisa Gomes, formerly of Guardian Asset Management and Mr. Peter Reid, Senior VP & Chief Operating Officer of VMBS. The Chairman welcomed them to the board. Additionally, the Chairman raised shareholders awareness to the company's growth plans that include capital-raising to be able to fund new properties at attractive prices, thus accelerating growth.

Looking Ahead

The local and international real estate markets continue to present compelling investment opportunities. Our business model emphasizes geographically diversified, income generating properties with credit worthy tenants and a strong potential for capital appreciation.

Once again, thanks to our shareholders for your continued support.

Garfield Sinclair
Chairman

Fayval S. Williams
Executive Director

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT SEPTEMBER 30, 2010

	Notes	**Unaudited as at September 30, 2010**	Unaudited as at September 30, 2009	Audited as at December 31, 2009
ASSETS		**$J'000**	$J'000	$J'000
Non-current assets				
Investment properties	4	**418,180**	-	-
Property under construction		**-**	350,223 *	-
Office equipment		**311**	-	108
		418,491	350,223	108
Current assets				
Receivables and prepayments	5	**14,000**	106	1,604
Deposit on property	6	**-**	-	26,400
Reverse repurchase agreements		**91,249**	-	469,216
Cash and cash equivalents		**154,524**	150,442	35,454
Total current assets		**259,773**	150,548	532,674
Total assets		**678,264**	500,771	532,782
EQUITY & LIABILITIES				
Equity				
Share capital		**406,609**	406,609	406,609
Translation reserve		**58,079**	68,031 *	67,953
Retained earnings		**26,773**	25,216 *	23,982
		491,461	499,856	498,544
Deferred tax liability		**5,110**	-	4,262
Current Liabilities				
Notes payable	7	**171,590**	-	26,767
Payables and accruals		**9,876**	916	3,082
Income tax payable		**227**	-	127
		181,693	916	29,976
Total equity and liabilities		**678,264**	500,771	532,782

* - Re-stated

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
FOR NINE (9) MONTHS ENDED SEPTEMBER 30, 2010

	Notes	**Unaudited Quarter ended September 30, 2010**	Unaudited Quarter ended September 30, 2009	**Unaudited Nine (9) months ended September 30, 2010**	Unaudited Nine (9) months ended September 30, 2009	Audited Year ended December 31, 2009
		$J'000	$J'000	**$J'000**	$J'000	$J'000
Revenues:						
Rental income		**10,181**	-	**22,539**	-	-
		10,181	-	**22,539**	-	-
Expenses:						
Administrative and general expenses		**(8,551)**	(1,188)	**(20,859)**	(3,236) *	9,468
Operating result		**1,630**	(1,188)	**1,680**	(3,236)	(9,468)
Net finance income	8	**1,492**	1,061 *	**2,060**	19,003 *	35,550
Profit / (loss) before income tax		**3,122**	(129)	**3,740**	15,767	26,082
Income tax		**(767)**	-	**(950)**	-	(4,389)
Profit / (loss) for the period/year		**2,355**	(129)	**2,790**	15,767 *	21,693
Other comprehensive income:						
Exchange differences on translation of foreign operations		**964**	47 *	**(9,874)**	35,860 *	35,782
Total comprehensive income / (loss) for the period/year		**3,319**	(82)	**(7,083)**	51,627 *	57,475
			* - Re-stated		* - Re-stated	
Earnings per share for profit attributable to the equity holders of the						
Number of shares		**68,800**	68,800	**68,800**	68,800	**68,800**
Earnings per stock unit		**3 cents**	(.2 cent)	**4 cents**	22 cents	31 cents

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KINGSTON PROPERTIES LIMITED
STATEMENT OF CHANGES IN GROUP EQUITY
(UNAUDITED)
FOR NINE (9)MONTHS ENDED SEPTEMBER 30, 2010

	Share capital	Cumulative translation adjustments	Retained earnings	Total
	J$'000	$J'000	$J'000	$J'000
Audited balances at December 31, 2008, as restated	406,609	32,171	11,818	450,597
Profit for the period	-	-	15,767 *	15,767
Other comprehensive income				
Translation of foreign subsidiary's balances, being total other comprehensive income for the period	-	35,860 *	-	35,860
Total comprehensive income for the period	-	35,860 *	15,767 *	51,627
Contributions by and distributions to owners:				
Dividends paid, being total distribution to owners	-	-	(2,368)	(2,368)
Unaudited balances at September 30, 2009	406,609	68,031 *	25,216 *	499,856
Audited balances at December 31, 2009	406,609	67,953	23,982	498,544
Profit for the period	-	-	2,790	2,790
Other comprehensive income/ expense				
Translation of foreign subsidiaries' balances, being total other comprehensive (loss)/profit for the period	-	(9,874)	-	(9,874)
Total comprehensive loss for the period	-	(9,874)	2,790	(9,874)
Unaudited balances at September 30, 2010	406,609	58,079	26,773	491,460
		* - Re-stated	* - Re-stated	

KINGSTON PROPERTIES LIMITED
STATEMENT OF GROUP CASH FLOWS
(UNAUDITED)
FOR NINE (9) MONTHS ENDED SEPTEMBER 30, 2010

	Unaudited Nine months ended September 30, 2010	Unaudited Nine months ended September 30, 2009	Audited Year ended December 31, 2009
	$J'000	$J'000	$J'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period/year	2,790	15,767 *	21,693
Adjustments to reconcile the profit for the period/year to net cash provided/ (used) by operating activities:			
Translation difference	(9,874)	35,860 *	35,781
Taxation- net	947	-	4,389
Depreciation	33	-	-
Loan interest accrued	7,837	-	-
Investment interest earned	(13,048)	(4,110)	(20,507)
Unrealized foreign exchange loss/ (gain)	2,973	(14,689) *	(15,043)
Operating (loss) / profit before changes in working capital and provisions	(8,342)	32,829	26,313
Increase/(decrease) in:			
Other receivables	(5,441)	(27)	(1,476)
Payables and accrued charges	6,794	(921)	1,246
Net cash provided by / (used in) operating activities	(6,989)	31,880	26,083
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of investment properties and equipment	(418,180)	-	(108)
Reverse repurchase agreement	377,968	-	(469,216)
Deposit on property	26,400	-	(26,400)
Additions to office equipment	(236)	-	-
Property under construction	-	(35,860)	314,363
Interest received	6,094	4,110 *	20,457
Net cash used in investing activities	(7,954)	(31,750)	(160,904)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	-	(2,368)	(9,528)
Notes payable	144,822	-	26,768
Interest paid	(7,837)	-	-
Net cash provided by / (used in) financing activities	136,985	(2,368)	17,239
Net decrease in cash used and cash equivalents	122,042	(2,238)	(117,581)
Effect of exchange rate fluctuation	(2973)	14,689	15,043
	119,069	12,450	(102,538)
Cash and cash equivalents at beginning of period/year:	35,454	137,992	137,992
Cash and cash equivalents at end of period/year:	154,524	150,442	35,454

* - Re-stated

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2010

1. IDENTIFICATION

Kingston Properties Limited (formerly Carlton Savannah REIT (Jamaica) Limited), (the "Company ") , was incorporated in Jamaica under the Jamaican Companies Act on April 21, 2008. The Company is domiciled in Jamaica, with its registered office at 7 Stanton Terrace, Kingston 6, Jamaica. The Company is listed on the Jamaica Stock Exchange.

The Company has two wholly owned subsidiaries:

(i) Carlton Savannah REIT (St. Lucia) Limited, incorporated in St. Lucia under the International Business Companies Act of 1999 on May 8, 2008.

(ii) Kingston Properties Miami LLC, incorporated in Florida under the Florida Limited Liability Company Act on March 12, 2010.

The Company and its subsidiaries are collectively referred to as "the Group".

The principal activity of the Group is investing in property and making accessible to investors the income earned thereof.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican Dollars.

The Company's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS).

(b) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from these estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

(c) Consolidation

(i) Subsidiaries

A subsidiary is an enterprise controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date commences until the date the control ceases. The consolidated financial statements comprise the financial position and results of operations of the Company and its subsidiaries (note 1).

(ii) Transactions eliminated on consolidation

Intra-group balances and any unrealized gain and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(d) Related party identification

A party is related to the Company if:

(i) directly or indirectly the party:

- controls, is controlled by, or is under common control with the Company;
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company.

(ii) the party is an associate of the Company

(iii) the party is a joint venture in which the Company is a venturer

(iv) the party is a member of the key management personnel of the Company

(v) the party is a close member of the family of an individual referred to in (i) or (iv) above

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v) above.

(vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any company that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(e) Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Foreign currencies (Cont'd)

In preparing the financial statements of the company, transactions in currencies other than the Company's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities that are denominated in foreign currencies are carried at historical cost and are not retranslated.

Exchange differences arising on the settlement and retranslation of monetary assets and liabilities are retranslation included in comprehensive income or loss for the period.

Assets and liabilities of foreign subsidiaries are translated into Jamaican dollars at period end rates and items affecting the profit and loss account are translated at average rates. All resulting exchange differences are recognized as a separate component of stockholders' equity.

(f) Investment properties

Investment properties are held for long-term rental yields.

Investment properties are measured initially at cost, including transaction costs, which approximates to fair value at acquisition date.

Subsequent to initial recognition, investment properties are carried at fair value.

(g) Office equipment

All furniture and equipment held for administrative purposes, are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of furniture and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Company and its cost can be reliably measured.

The cost of day-to-day servicing of furniture and equipment is recognized in profit or loss as incurred.

Furniture and equipment are depreciated on the straight line basis over the estimated useful lives of such assets. The rates of depreciation in use are:

Computers and accessories	20%
Furniture and equipment	10%

(h) Cash and cash equivalents

Cash and cash equivalent are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(i) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

(i) Current income tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustments to income tax payable in respect of previous years.

(ii) Deferred income tax

Deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. Revenue recognition

Interest income

Interest income is recorded in these financial statements on an accrual basis.

Rental income

Rental income is recorded in these financial statements on an accrual basis.

4. Investment Properties

		Unaudited Nine (9) months ended September 30, 2010 $J'000	Unaudited Nine (9) months ended September 30, 2009 $J'000	Audited Year ended December 31, 2009 $J'000
(i)	Hagley Park Road property	**181,616**	-	-
(ii)	Miami - Condominium Loft II	**236,564**	-	-
		418,180	-	-

(i) This represents 26,000 square feet of commercial property located on Hagley Park Road, Kingston 10.

(ii) This represents 16,092 square feet (19 units) of residential condominium space in the Loft II building located at 133 NE 2nd Avenue in downtown Miami, Florida.

5. Receivables and prepayments

	Unaudited Nine (9) months ended September 30, 2010 $J'000	Unaudited Nine (9) months ended September 30, 2009 $J'000	Audited Year ended December 31, 2009 $J'000
Utility deposits	**58**	8	58
Prepaid insurance and expenses	**3,954**	-	-
Withholding taxes recoverable	**3,034**	98	1,497
Interest receivable	**6,954**	-	49
	14,000	106	1,604

6. Deposit on investment property

At December 31, 2009 the Company had paid a deposit of US$300,000 (the Jamaican dollar equivalent being $26,400,000). During the quarter ended June 30, 2010 the transaction was completed.

7. Notes payable

	Unaudited Nine (9) months ended September 30, 2010 $J'000	Unaudited Nine (9) months ended September 30, 2009 $J'000	Audited Year ended December 31, 2009 $J'000
(i) Pan Caribbean Bank	**145,851**	-	26,767
(ii) Vendor's mortgage	**25,739**	-	-
	171,590	-	26,767

(i) This represents a draw-down under a credit facility of US$1,700,000 (JMD$145,851,320), evidenced by a promissory note with Pan Caribbean Bank Limited. The loan is secured against a Carlton Savannah REIT (St. Lucia) Limited deposit of US$1,700,169 and is repayable December 23, 2010.

(ii) This represents a mortgage from the vendor of the Hagley Park Road property. The loan attracts interest of 6% in the first year and 7% in the second year. Principal is repayable at the end of two (2) years.

8. Net Finance Income

	Unaudited Nine (9) months ended September 30, 2010 $J'000	Unaudited Nine (9) months ended September 30, 2009 $J'000	Audited Year ended December 31, 2009 $J'000
Interest Income - Escrow account	-	4,017	4,017
Interest Income - Accrued	**100**	32	151
Interest Income – Reverse Repurchase agreements	**2,095**	93	1,925
Interest Income - CS REIT St. Lucia	**10,853**	-	14,414
Loan interest	**(7,837)**	-	-
Realized (loss)/gains on conversion of foreign exchange	**(179)**	172	-
Unrealized (loss)/gains on conversion of foreign exchange	**(2,973)**	14,689 *	15,043
	2,060	19,003	35,550

* - Re-stated