



**BOARD OF DIRECTORS STATEMENT**

The Board of Directors is pleased to present the Group's consolidated financial statements for the nine (9) months ended September 30, 2009.

Profit for the period was J\$15,817,078 or J\$0.22 per share with the primary components being unrealized foreign exchange gains and investment income. Total comprehensive income was J\$54.7 million and includes J\$38.9 million of gains from translation of foreign operations. Total assets were J\$531.3 million consisting primarily of property under construction and cash.

**Subsequent Event**

At the end of September, The REIT informed the Jamaica Stock Exchange (JSE) and the public that it had accepted a proposal from the developers, Balton Properties Limited, to repurchase the seven (7) units in the Carlton Savannah hotel. Since that advisory to the JSE, The REIT now confirms that the transaction has been successfully concluded and the cash received. The sale proceeds will be re-invested in a diversified portfolio of real estate properties that will continue to deliver sustainable and superior long term yields to shareholders.

**First Annual General Meeting**

On October 14, 2009, the company held its first Annual General Meeting (AGM) at which the shareholders approved the continuation of KPMG as the auditors, re-elected the current directors and approved its first Annual Report of Directors and Auditors. The company also received approval to distribute its annual report in electronic format to shareholders who wish to receive it electronically. However, the Resolution to deliver the annual report in electronic format can only be implemented if the current JSE rule relating to the distribution of such information is amended.


**Name Change**

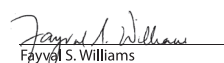
The REIT has finally received written confirmation that the name of the company has been changed to "KINGSTON PROPERTIES LIMITED." A public advisory was issued and the new JSE symbol is 'KPREIT'.

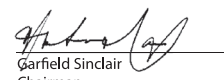
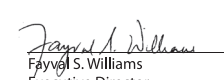
**Dividend**

The REIT is pleased to announce an interim dividend of US\$0.0012 to be paid in respect of each Common Stock Unit of Kingston Properties Limited. The dividend is payable on December 16, 2009 to stockholders on record as at the close of the business on December 4, 2009.

The REIT continues to pursue selected opportunities that meet the currency, yield and risk parameters established by the Board in order to enhance total shareholder's return. We will remain focused on fulfilling our commitment to providing our shareholders with competitive, long term asset appreciation and hard currency cash flows through the development of a geographically diverse real estate portfolio.

  
Garfield Sinclair  
Chairman

  
Fayvel S. Williams  
Executive Director

KINGSTON PROPERTIES LIMITED GROUP BALANCE SHEET (UNAUDITED) AS AT SEPTEMBER 30, 2009		
	Unaudited as at September 30, 2009 J\$'000	Audited as at December 31, 2008 J\$'000
<b>ASSETS</b>		
Property under construction	380,777	341,788
Cash and cash equivalents	150,442	137,992
Other receivables	106	79
<b>Total assets</b>	<b>531,325</b>	<b>479,859</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
Share capital	406,609	406,609
Translation reserve	74,953	36,015
Other reserve	23,581	23,581
Retained earnings	25,266	11,817
	530,409	478,022
<b>Current Liabilities</b>		
Payables and accruals	916	1,837
<b>Total equity and liabilities</b>	<b>531,325</b>	<b>479,859</b>
<b>On behalf of the Board:</b>		
 Garfield Sinclair Chairman	 Fayvel S. Williams Executive Director	

KINGSTON PROPERTIES LIMITED GROUP STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR NINE (9) MONTHS ENDED SEPTEMBER 30, 2009		
	Unaudited Nine (9) months ended September 30, 2009 J\$'000	Audited Seven (7) months ended December 31, 2008 J\$'000
<b>Expenses:</b>		
Company formation, share issue and listing, net	-	(370)
Other administrative and general expenses	(3,236)	(2,671)
<b>Operating result</b>	<b>(3,236)</b>	<b>(3,041)</b>
Net finance income	19,053	17,052
<b>Profit for the period</b>	<b>15,817</b>	<b>14,011</b>
<b>Other comprehensive income:</b>		
Exchange differences on translation of foreign operations	38,938	36,015
Reserve on consolidation	-	23,581
<b>Total Comprehensive Income for the period, net of tax</b>	<b>54,755</b>	<b>73,607</b>
<b>Earnings per share for profit attributable to the equity holders of the company:</b>		
Number of shares	68,800	68,800
Earnings per stock unit	22 cents	20 cents

KINGSTON PROPERTIES LIMITED GROUP STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR NINE (9) MONTHS ENDED SEPTEMBER 30, 2009					
	Share capital J\$'000	Other reserve J\$'000	Cumulative translation adjustments J\$'000	Retained earnings J\$'000	Total J\$'000
Paid-in capital	406,609	-	-	-	406,609
Total comprehensive income for the period	-	23,581	36,015	14,011	73,607
Dividends paid	-	-	-	(2,193)	(2,193)
<b>Audited balance at December 31, 2008</b>	<b>406,609</b>	<b>23,581</b>	<b>36,015</b>	<b>11,818</b>	<b>478,023</b>
Total comprehensive income for the period	-	-	38,938	15,817	54,755
Dividends paid	-	-	-	(2,369)	(2,369)
<b>Balance at September 30, 2009</b>	<b>406,609</b>	<b>23,581</b>	<b>74,953</b>	<b>25,266</b>	<b>530,409</b>

**KINGSTON PROPERTIES LIMITED  
GROUP STATEMENT OF CASH FLOWS  
(UNAUDITED)  
FOR NINE (9) MONTHS ENDED SEPTEMBER 30, 2009**

	Unaudited Nine (9) months ended September 30, 2009 JS'000	Audited Seven (7) months ended December 31, 2008 JS'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	15,817	14,011
Adjustments to reconcile for non cash items:		
Reserve on consolidation	-	23,581
Translation difference	38,938	36,015
Interest earned	(4,110)	(2,713)
Unrealized foreign exchange gain	(14,740)	(14,340)
Operating profit before changes in working capital and provisions	35,905	56,554
Increase/decrease in:		
Other receivables	(27)	(79)
Accounts payable and accrued charges	(921)	1,837
Net cash provided by operating activities	34,957	58,312
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property under construction	(38,989)	(341,788)
Interest received	4,110	2,713
Net cash used in investing activities	(34,879)	(339,075)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Paid-in capital	-	406,609
Dividends paid	(2,368)	(2,193)
Net cash (used in)/provided by financing activities	(2,368)	404,416
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,290)</b>	<b>123,653</b>
Effect of exchange rate fluctuation	14,740	14,339
	12,450	137,992
<b>Cash and cash equivalents at beginning of period:</b>	<b>137,992</b>	<b>-</b>
<b>Cash and cash equivalents at end of period:</b>	<b>150,442</b>	<b>137,992</b>

**(b) Basis of consolidation**

A subsidiary is an entity over which the company, directly or indirectly, has an interest of more than 50% of the voting rights; or is otherwise able to govern and exercise control over the operations.

A subsidiary is fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases. All inter-group transactions, balances and unrealized surpluses and deficits on transactions on companies within the group have been eliminated.

**(c) Use of estimates**

The preparation of consolidated 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 consolidated 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.

**(d) Cash and cash equivalents**

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.

Exchange differences are recognized in profit or loss for the period in which they arise.

**(e) Foreign currencies**

Transactions in foreign currencies are converted to Jamaican dollars at the rate of exchange ruling at the date of each transaction. Assets and liabilities denominated in foreign currencies are translated to Jamaican dollars at the exchange rates ruling at balance sheet date. Exchange differences are recognized in the profit or loss of the period in which they arise.

**(f) Taxation**

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

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method.

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 the 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 adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

**(g) Earnings per stock unit**

The calculation of earnings per stock unit is based on the group's net profit for the period (including unrealized foreign exchange gains) and 68,800,102 ordinary stock units in issue.

**3. Subsequent event**

On October 12, 2009, the Company accepted the proposal of Balton Properties Limited, developers of the Carlton Savannah Hotel in Trinidad, to repurchase its beneficial ownership of the seven (7) units held in the hotel. The Company has earned interest income on deposits held in relation to these beneficial rights over the life of the investment.

**KINGSTON PROPERTIES LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)  
NINE (9) MONTHS ENDED SEPTEMBER 30, 2009**

**1. IDENTIFICATION**

Kingston Properties Limited (the "Company") is a company limited by shares, incorporated and domiciled in Jamaica.

The Company was incorporated on April 21, 2008 under the name Carlton Savannah REIT (Jamaica) Limited; and was listed on the Jamaica Stock Exchange on August 5, 2008. On October 8, 2009 the name of the Company was changed to Kingston Properties Limited.

The company owns 100% of the issued share capital of Carlton Savannah REIT (St. Lucia) Limited ("the "Subsidiary", Company") incorporated and domiciled in St. Lucia.

The primary purpose of the company and its subsidiary is to make accessible to investors, the income earned from the ownership of real estate properties.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

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

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