



**KINGSTON
PROPERTIES
LIMITED**



UNAUDITED GROUP FINANCIAL STATEMENTS

NINE (9) MONTHS ENDED SEPTEMBER 30, 2022





**KINGSTON
PROPERTIES
LIMITED**

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HIGHLIGHTS

- **Group rental income increased by 12% YOY in 3Q 2022 to \$857,596**
- **Net Operating Income (NOI) increased by 34% YOY in 3Q 2022 to \$500,905**
- **EBITDA increased by 6% YOY in 9M 2022 to \$1.9 million**
- **Net Profit increased by 8% YOY in 9M 2022 to \$1.5 million**
- **Funds From Operations (FFO) in 9M 2022 increased by 7% YOY to \$958,421**
- **Book Value per share (BVPS) increased to \$0.04879.**

We are pleased to present the unaudited consolidated financial statements for the nine months ended September 30, 2022 in United States dollars.

OVERVIEW

The Group has continued its trajectory of improved efficiency in its operations reporting higher net operating results for the third quarter of the 2022 financial year when compared to the prior year. This has resulted from the additions to the investment portfolio of higher yielding assets, and higher levels of occupancy along with focussed expense management. Global economic dynamics driven by different geopolitical and economic events have increased inflationary expectations and resulted in interest rate spikes. Despite the obvious headwinds created by these events, KPREIT

has implemented various risk mitigation strategies including renegotiating credit facilities with our financing partners, improving our cash position year over year by executing a successful equity raise and the increased monitoring of regional economies in which we operate. Even with the persistent economic uncertainty, the Group achieved near 100% occupancy by the end of the reporting period and continues to benefit from a tenant base comprised primarily of financial, warehousing & logistics, manufacturing, and government service providers.

INCOME STATEMENT

Group rental income increased by 12% year on year for the three months ended September 30, 2022 to \$857,596 compared to \$763,105 for the same period in 2021. The higher year on year figure was mainly due to increases in rents at some of our properties, as well as higher occupancy levels at our properties in Jamaica. For the first nine months of the financial year, group rental income also increased by 12% to \$2.5 million compared to \$2.2 million in 2021. Direct property and administrative expenses which are reflected in **group operating expenses**, decreased by 8% during the third quarter from \$389,073 in 2021 to \$356,691 in 2022. For the nine months, the increase was 13% to \$1.1 million. The increase is mainly as a function of higher year over year staff costs, due to the increase in our staff complement and higher professional fees which was a one-off expense recorded during this financial year. Further, the Group recorded lower homeowners' association dues and property taxes in the US consequent on the continued disposal of our condo units in Florida.

The net effect saw **results of operating activities before gains (NOI)** increasing by 34% year on year for the third quarter of 2022 moving to \$500,905, while **NOI** for the nine months increased by 12% moving

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to \$1.4 million in 2022 from \$1.2 million in 2021. In addition, net operating income margin remained flat at 57% YOY maintaining efficient expense management, while EBITDA increased from \$1.8 million to \$1.9 million over the same period.

The Group recorded **profit before net finance charges** of \$549,857 in the third quarter of 2022 compared to \$631,658 in the same quarter of 2021, a decrease of 13%. The figure in the third quarter of 2021 included a fair value gain of \$142,445 from three of the Group's South Florida condo units that were re-classified as held for sale and net realized gains of \$96,198 from the disposal of another 2 condo units. The 2022 YTD result of \$1.9M was 6% higher than the \$1.8 million 2021 result for the same period primarily due to the higher YTD rental income mentioned earlier in addition to earning higher property disposal gains during the current nine month period to date.

For the third quarter of 2022, the Group recorded a **profit before income tax** of \$378,882 compared to \$433,700 in 2021, representing a decrease of 13%. The higher figure in the prior year as already mentioned was a result of the revaluation of certain assets designated as held for sale. In the first nine months of 2022, the Group recorded a **profit before income tax** amounting to \$1.5 million compared to \$1.4 million for the same period in 2021. The growth in profit before income tax in the first nine months of 2022 was tempered by higher net finance costs of \$434,717 compared to \$405,946 for the same period in 2021. The increase in net finance costs was primarily driven by higher interest expense and foreign exchange losses associated with the J\$700 million bridge loan facility which was secured in July 2021. This loan has since been repaid.

Profit after tax in the third quarter of 2022 amounted to \$363,395 compared to \$420,674 for the similar

period of 2021, while for the nine months period, the profit increased by 8% to \$1.4 million for the period.

BALANCE SHEET

Investment properties (excluding properties held for sale) remained relatively flat year on year at \$40 million following the market value gains on existing properties in Jamaica and Cayman as well as the acquisition of additional warehousing space in Jamaica over the last twelve months. The two remaining condo units in the W Fort Lauderdale valued at \$1.8 million, were reclassified to assets held for sale. During the current period the Group also invested \$1.6 million in Polaris at East Point resulting in an increase of 65% to \$5.1 million in our Investment in Real Estate Funds. **Total assets** stood at \$57.4 million as at September 30, 2022 compared to \$49.0 million the previous year, an increase of 17.0%. This included cash and near cash holdings of \$6.9 million as at September 30, 2022, representing an increase of 92% YOY. The increase in cash balances mainly reflects the balance of cash on hand after our recently concluded additional public offering (APO).

Total Equity increased by 39% year on year to \$43.2 million from \$31.0 million in 2021 primarily due to additions to our share capital from our most recent fundraising exercise and improved retained earnings. Book value per stock unit has improved from US\$0.04569 at September 30, 2021 to US\$0.04879 at September 30, 2022.

Total loans payable was approximately \$13.7 million at September 30, 2022 compared with \$17.7 million at September 30, 2021 representing a 22% year on year decline in borrowings. The decrease was primarily driven by the repayment of the J\$700 million bridge loan facility which was secured in July 2021. The current loan portfolio are collateralized bank financing

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to facilitate the expansion of our property portfolio and are denominated both in US and Jamaican dollars from our financial partners in Jamaica and the Cayman Islands.

We continue to maintain fairly conservative debt ratios as part of our risk management strategy. Our debt-to-equity has improved significantly due to our recent successful APO from 57% to 31.8% in the current period, while total debt obligations amounted to 24% of total assets as at the end of the third quarter in 2022.

	9M 2021	9M 2022
Total Loans as %of Investment Properties	44.10%	34.25%
Total Loans as %of Total Assets	36.04%	23.89%
Total Loans as %of Total Equity	57.05%	31.75%

Funds from Operations (FFO) for the nine months ended September 30, 2022 increased 7.3% to \$958,421 from \$893,314 primarily driven by higher net income year on year.

	9M 2021	9M 2022
Net Income	1,346,268	1,447,598
Depreciation	13,986	18,625
(Gain)/Loss on Disposal of Assets	(76,941)	(225,794)
Fair Value (Gains)/Loss	(343,483)	(177,299)
Interest Income (-)	(46,516)	(104,709)
FFO	893,314	958,421

SUMMARY AND OUTLOOK

We continue to monitor the macroeconomic environment of the jurisdictions in which



we own properties or are targeting for acquisition. Inflation remains above the targeted rate of most central banks in these markets, which has resulted in policy interest rates increasing since the start of 2022. Our focus and strategy remain fixed on continuing to build a resilient business and to position for opportunities in the likelihood of a market downturn. We believe that monetary authorities will ultimately maintain a judicious balance between achieving greater price and sustainable long-term macro-economic stability. In light of the increases in interest rates, we have reduced the level of borrowings by the Company and have converted the majority of our variable rate debt to fixed rate facilities.

Further, we will continue to monetize certain assets to finance future acquisitions and projects, to this end, in October 2022 we disposed of one of the two units at the W Fort Lauderdale. This continued reduction in our loan balances is expected to bring our loan to total assets ratio below 20%, while total loans per share has fallen by 40% year on year from \$0.02607 to \$0.01549. We remain cognizant of the economic headwinds being faced by the US economy and will position ourselves for any new opportunities that may arise in that market, which remains the world's largest and most vibrant economy. This includes a shift into multi-family properties in the US to improve yields and reduce valuation volatility.

We believe that while overall economic conditions remain exposed to multiple extraneous shocks, more assets with value-add opportunities will become available and the Group expects to be positioned to take advantage of these opportunities given our cash holdings. The Jamaican and Caymanian economies will continue to provide us with fairly good risk adjusted returns due to the strong demand for industrial and multi-purpose flex spaces.

Kingston Properties Limited

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Nine (9) Months Ended September 30, 2022

To this end, we are nearing completion of the construction of the units at Gum Tree 5 in the Cayman Islands and we recently entered into a joint venture agreement with a partner in Jamaica for the development of our property in the Cross Roads area slated for mini warehouse units.



**Gum Tree 5 development
in the Cayman Islands**

Notably, the Group's diverse tenant base and the geographic diversity of our properties continues to offer a level of resilience to our operations. Further, the deployment of funds raised over the last three years continue to ensure solid results through acquisition of higher yielding assets and improved efficiency in our operations. Recently we acquired an approximately 45% interest in a 120-unit multi-family property in Atlanta, Georgia called Polaris at East Point and are in various stages of completion on three value-add transactions in the Cayman Islands and Jamaica.



**Polaris at East Point,
Atlanta, GA**

In keeping with our philosophy of adopting the tenets of a REIT, a significant portion of the funds generated by our operations (FFO) will be distributed as dividends. A second interim dividend of USD0.001 per share will be paid to shareholders on record as at October 28, 2022 and will represent 92% of our FFO year to date. This will bring to a total of USD0.00180 per share paid for the year with an effective dividend yield of approximately 4%.

We continue to execute on our Green Certification Policy initiatives which is to operate and maintain environmentally sustainable operations across our properties. We have engaged the National Environment & Planning Agency as a strategic partner through the Green Business Jamaica (GBJ) Programme to aid us in meeting our target for Green Certification for our properties, both locally and internationally. We have already completed 95% of the initiatives under the GBJ Programme and we intend to complete in the near term.

Kingston Properties Limited

UNAUDITED GROUP FINANCIAL STATEMENTS

Nine (9) Months Ended September 30, 2022



Grenada Crescent,
Kingston Jamaica

We have adopted “Green” Building methods and operations to improve the way we use energy, water and materials to improve our footprint. Year to date, we have begun to formalize our recycling program at our properties, we continue to install inverter AC units, we have installed external solar LED flood lamps and we continue to replace old electrical systems & fixtures with modernized technology. To this end, we are scheduled to receive a Green Award from NEPA for 3 of our 6 local properties, namely Grenada Crescent, Red Hills Road and East Ashenheim Road properties.

As always, thanks to our Board, shareholders and employees for your continued support.


Kevin G. Richards
Chief Executive Officer



GREEN POLICY



KPL is committed to protecting the environment and improving stakeholder value by conducting our operations and activities in an environmentally responsible and sustainable manner.

Our guiding principles and practices to achieve resource conservation, waste reduction, and sustainability overall are as follows:

- Comply with mandatory requirements, conduct our activities, and operate our facilities within applicable environmental laws and regulations
- Conserve energy and other natural resources
- Reduce, reuse, and recycle to reduce waste
- Partner with customers and suppliers that are committed to do “green”

 **Kingston Properties Limited**
A Real Estate Investment Company

Kingston Properties Limited

GROUP STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Nine (9) Months Ended September 30, 2022

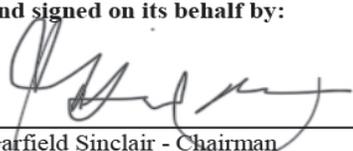
	<u>Notes</u>	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		Quarter ended	Quarter ended	Nine (9)	Nine (9) months	Year ended
		September 30,	September 30,	months ended	ended	December 31,
		2022	2021	September 30,	September 30,	2021
		<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Rental income		857,596	763,105	2,473,892	2,200,220	2,981,417
Operating expenses		<u>(356,691)</u>	<u>(389,073)</u>	<u>(1,089,747)</u>	<u>(962,501)</u>	<u>(1,283,008)</u>
Results of operating activities before other income/gains		500,905	374,032	1,384,145	1,237,719	1,698,409
Other income / gains:						
Increase in fair value of investment property		-	142,445	177,299	343,483	1,372,554
Gain on disposal of investment properties		-	96,198	225,794	76,941	243,415
Impairment losses on financial assets		-	(10,000)	-	(10,000)	(15,000)
Management fees		21,768	18,187	63,106	54,323	76,117
Miscellaneous income		27,184	10,796	47,561	88,596	146,940
Operating profit		549,857	631,658	1,897,905	1,791,062	3,522,435
Finance income		65,830	9,603	167,743	46,516	148,986
Finance cost		<u>(236,805)</u>	<u>(207,561)</u>	<u>(602,460)</u>	<u>(452,462)</u>	<u>(574,543)</u>
Net finance costs	4	<u>(170,975)</u>	<u>(197,958)</u>	<u>(434,717)</u>	<u>(405,946)</u>	<u>(425,557)</u>
Profit before income tax		378,882	433,700	1,463,188	1,385,116	3,096,878
Income tax charge		<u>(15,487)</u>	<u>(13,026)</u>	<u>(15,590)</u>	<u>(38,848)</u>	<u>(78,566)</u>
Total comprehensive income for the period / year		<u>363,395</u>	<u>420,674</u>	<u>1,447,598</u>	<u>1,346,268</u>	<u>3,018,312</u>
Earnings per share for profit attributable to the equity holders of the Company:						
Earnings per stock unit (\$):	5	<u>0.0004</u>	<u>0.0006</u>	<u>0.0020</u>	<u>0.0020</u>	<u>0.0045</u>

GROUP STATEMENT OF FINANCIAL POSITION (UNAUDITED)

Nine (9) Months Ended September 30, 2022

	Notes	Unaudited as at September 2022 US\$	Unaudited as at September 2021 US\$	Audited as at December 31, 2021 US\$
NON-CURRENT ASSETS				
Investment properties	7	40,025,641	39,279,754	41,779,432
Investment in Real Estate Fund	8	5,071,187	3,079,426	3,451,163
Restricted cash		1,969	121,969	1,969
Furniture, software and equipment		193,822	197,467	208,099
Total non-current assets		45,292,619	42,678,616	45,440,663
CURRENT ASSETS				
Deposit on investment property		3,963,077	1,292,761	1,232,761
Investment properties held for sale	7	1,750,114	777,720	497,250
Receivables and prepayments		617,706	629,744	581,436
Income tax recoverable		36,871	27,241	11,199
Cash and cash equivalents		6,945,778	3,611,303	2,707,039
Total current assets		13,313,546	6,338,769	5,029,685
Total assets		58,606,165	49,017,385	50,470,348
EQUITY				
Share capital		34,948,294	25,316,779	25,316,337
Treasury shares		-	(442)	-
Cumulative translation reserve		(1,488,861)	(1,488,861)	(1,488,861)
Retained earnings		9,703,660	7,134,938	8,807,021
Total equity		43,163,093	30,962,414	32,634,497
NON-CURRENT LIABILITIES				
Loans payable	9	14,083,216	11,881,364	11,869,797
Deferred tax liabilities		-	-	51,473
Total non-current liabilities		14,083,216	11,881,364	11,921,270
CURRENT LIABILITIES				
Loans payable	9	908,000	5,784,241	5,374,156
Accounts payable and accrued charges		440,814	344,476	529,383
Income tax payable		11,042	44,890	11,042
Total current liabilities		1,359,856	6,173,607	5,914,581
Total equity and liabilities		58,606,165	49,017,385	50,470,348

The financial statements on pages were approved for issue by the Board of Directors on November 7, 2022 and signed on its behalf by:



Garfield Sinclair - Chairman



Phillip Silvera - Director

GROUP STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Nine (9) Months Ended September 30, 2022

	Share capital US\$	Treasury shares US\$	Cumulative translation reserve US\$	Retained earnings US\$	Total US\$
Audited, balances at					
December 31, 2020 as previously reported	25,316,779	-	(1,488,861)	6,688,638	30,516,556
Transaction with owners of the company					
Shares repurchased		(443)	-	-	(443)
Profit, being comprehensive income for the period	-	-	-	1,346,268	1,346,268
Dividends paid, being total distribution to owners	-	-	-	(899,968)	(899,968)
Unaudited, balances at September 30, 2021	25,316,779	(443)	(1,488,861)	7,134,938	30,962,413
Audited, balances at December 31, 2021	25,316,337	-	(1,488,861)	8,807,021	32,634,497
Transactions with owners of the company:					
Issuance of Share Capital	9,631,957	-	-	-	9,631,957
Profit, being comprehensive income for the period	-	-	-	1,447,598	1,447,598
Dividends paid, being total distribution to owners	-	-	-	(550,959)	(550,959)
Unaudited, balances at September 30, 2022	34,948,294	-	(1,488,861)	9,703,660	43,163,093

GROUP STATEMENT OF CASH FLOWS (UNAUDITED)

Nine (9) Months Ended September 30, 2022

	Unaudited Nine (9) months ended September 2022 <u>US\$</u>	Unaudited Nine (9) months ended September 2021 <u>US\$</u>	Audited Year ended December 31, 2021 <u>US\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period / year	1,447,598	1,346,268	3,018,312
Adjustments for:			
Income tax charge	15,590	38,848	78,566
Depreciation	18,625	13,986	20,078
Interest income	(104,709)	(46,516)	(60,850)
Interest expense	602,460	375,124	497,853
Increase in fair value revaluation of investment property	(177,299)	(343,483)	(1,372,554)
Impairment losses on financial assets	-	10,000	15,000
Gain on disposal of investment property	(225,794)	(76,941)	(243,415)
Exchange (gain) / losses	(59,669)	143,088	-
Operating profit before changes in working capital	1,516,801	1,460,374	1,952,990
Changes in:			
Other receivables	(36,270)	(34,521)	(4,111)
Accounts payable and accrued charges	(173,409)	(91,025)	185,556
Income tax paid	(7,250)	(40,582)	(6,402)
Net cash provided by operations	1,299,872	1,294,246	2,128,033
Cash flows from investing activities			
Interest received	104,709	46,516	63,748
Additions to office equipment	(4,348)	(41,966)	(61,661)
Deposit on investment property	(2,730,316)	-	(1,232,761)
Additions to investment property	(164,626)	(2,793,169)	(4,253,348)
Investment in Real Estate Fund	(1,620,024)	(3,311,371)	(2,831,391)
Proceeds of disposal of investment property	1,068,646	474,000	1,431,473
Net cash used in by investing activities	(3,345,959)	(5,625,990)	(6,883,940)
Cash flows from financing activities			
Interest paid	(484,412)	(324,569)	(519,835)
Dividends paid	(550,959)	(899,968)	(888,152)
Loan received	1,768,950	4,668,757	4,470,410
Loan repaid	(4,080,711)	(732,632)	(950,937)
Restricted cash	-	360,165	480,165
Issuance of share capital (net proceeds)	9,631,957	-	-
Treasury shares	-	(442)	(442)
Net cash provided by financing activities	6,284,825	3,071,311	2,591,209
Net increase / (decrease) in cash and cash equivalents	4,238,739	(1,260,433)	(2,164,698)
Cash and cash equivalents at beginning of period	2,707,039	4,871,736	4,871,737
Cash and cash equivalents at end of period / year	6,945,778	3,611,303	2,707,039

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Nine (9) Months Ended September 30, 2022

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

Kingston Properties Limited (the "Company") was incorporated in Jamaica under the 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 five wholly owned subsidiaries:

- (i) KPREIT (St. Lucia) Limited, incorporated in St. Lucia under the International Business Companies Act of 1999 on December 29, 2021; and its wholly owned subsidiaries KPREIT (Cayman) Limited, incorporated in the Cayman Islands and its subsidiary Kingston Properties Miami LLC, incorporated in Florida under the Florida Limited Liability Company Act
- (ii) KP (Reit) Jamaica Limited, incorporated on September 14, 2018, in Jamaica under the Companies Act.
- (iii) KP (Reit) Dumfries Jamaica Ltd, incorporated in Jamaica on February 16, 2021 under the Companies Act.

The Company and its subsidiaries are collectively referred to as "Group". In these financial statements 'parent' refers to the Company and intermediate parent refers to its wholly owned subsidiary, KPREIT (St. Lucia) Limited.

The principal activity of the Group is to invest in attractive real estate assets in Jamaica and selected international markets.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of certain fixed and financial assets and are expressed in United States dollars.

These financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting.

The interim financial report is to be read in conjunction with the audited financial statements for the year ended December 31, 2021. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended December 31, 2021.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended December 31, 2021.

(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 reported 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.

3. PANDEMIC-COVID 19

The World Health Organisation in March 2020 declared the coronavirus, COVID-19, as a global pandemic. The Group implemented measures to minimise pandemic's impact on its operations. The Group has not had significant fallout due to the pandemic as there were no changes to existing rent agreements or rent concessions and the Group continued its strategy of increasing its investment property portfolio. The Group continues to experience resilience in its operations with high occupancy and significant growth in revenues. Having assessed the COVID-19 impact and various possible outcomes, Management believes all necessary measures are in place to ensure the continuity of the Group.

Kingston Properties Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Nine (9) Months Ended September 30, 2022

4. Finance costs

	Unaudited Quarter ended September 30, 2022 US\$	Unaudited Quarter ended September 30, 2021 US\$	Unaudited Nine (9) months ended September 30, 2022 US\$	Unaudited Nine (9) months ended September 30, 2021 US\$	Audited Year end December 31, 2021 US\$
Finance income					
Interest income	65,830	9,603	104,709	46,516	60,850
Foreign exchange gains arising from investing and financing activities:					
Net gains on conversion of foreign currency investments and borrowings	-	-	63,034	-	88,136
Total finance income	65,830	9,603	167,743	46,516	148,986
Finance costs:					
Foreign exchange losses	(33,345)	(45,827)	-	(77,338)	-
Interest expense	(197,537)	(135,715)	(543,436)	(324,569)	(497,853)
Commitment fees	(5,923)	(26,019)	(59,024)	(50,555)	(76,690)
Total finance costs	(236,805)	(207,561)	(602,460)	(452,462)	(574,543)
Net finance costs	(170,975)	(197,958)	(434,717)	(405,946)	(425,557)

5. Earnings per stock unit

The earnings per stock unit is computed by dividing the profit for the period / year, attributable to the company's stockholders, by weighted average number of stock units in issue during the year, computed as follows:

	Unaudited Quarter ended September 30, 2022	Unaudited Quarter ended September 30, 2021	Unaudited Nine months ended September 30, 2022	Unaudited Nine months ended September 30, 2021	Audited Year ended December 31, 2021
Weighted average number of ordinary stock units held during the year	884,609,294	677,645,790	729,392,020	677,645,790	677,652,928
Earnings per share (\$)	0.0004	0.0006	0.0020	0.0020	0.0045

6. Increase in authorised share capital

At an Extra-ordinary General Meeting held on February 23, 2021, the Company's ordinary shareholders approved a resolution to increase the number of authorised ordinary shares from 1,000,000,000 to 2,000,000,000. During the period, the company executed an Additional Public Offer in which 206,956,366 shares were issued and fully paid. As at the reporting date, the total number of shares issued and fully paid was 884,609,294 (September 2021: 677,652,928)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Nine (9) Months Ended September 30, 2022

7. Investment properties

(a) Investment properties held by the Group are as follows:

	Unaudited September 30, 2022 US\$	Unaudited September 30, 2021 US\$	Audited December 31, 2021 US\$
(i) Jamaica	23,870,525	21,116,803	23,708,410
(ii) Cayman Islands	16,155,116	16,040,359	16,150,796
(iii) United States of America	-	2,122,592	1,920,226
	<u>40,025,641</u>	<u>39,279,754</u>	<u>41,779,432</u>

(b) The carrying amounts of investment property have been determined as follows:

	Unaudited September 30, 2022 US\$	Unaudited September 30, 2021 US\$	Audited December 31, 2021 US\$
Balance as at beginning of year	41,779,432	38,130,420	38,130,420
Additions during the year	166,436	2,089,868	4,253,348
Disposals during the year	(347,412)	(305,127)	(945,087)
Transfers to held-for-sale	(1,750,114)	(777,852)	(497,250)
Fair value gains	177,299	142,445	838,001
Balance at end of the period	<u>40,025,641</u>	<u>39,279,754</u>	<u>41,779,432</u>

8. Investment in real estate fund

As at December 2021, the Company held 1,000,000 units of the CGI Fund I which owns several Class A investment properties in Miami, as well as 1,831,391 units in the Polaris at Camp Creek, a Delaware LLC which was formed to acquire and develop a multi-family property in Atlanta. During the current period, the company also acquired 1,813,500 units in Polaris at East Point, a Delaware LLC formed to acquire a 120 unit multi-family property in Atlanta. These funds are measured at fair value. The fair value measurement of the funds have been categorised as a level 3 fair value which includes unobservable inputs in the valuation techniques.

9. Loans payable

	Unaudited September 30, 2022 US\$	Unaudited September 30, 2021 US\$	Audited December 31, 2021 US\$
RBC Bank Loans			
Carrying value	8,216,302	8,731,310	8,600,564
FCIB Bank Loans (i)			
Carrying value	6,774,914	4,286,538	4,172,979
VMIL Bridge Loan facility (ii)			
Carrying value	-	4,647,757	4,470,410
Total loans payable	<u>14,991,216</u>	<u>17,665,605</u>	<u>17,243,953</u>
Less: Current Portion	908,000	5,784,242	5,374,156
Non-Current Loans Payable	<u>14,083,216</u>	<u>11,881,363</u>	<u>11,869,797</u>

(i) FCIB Loan

This includes a new US\$3 million facility which was used to finance the acquisition of investment properties. The loan is for 10 years at a fixed interest rate of 5.25% p.a. for 36 months and variable rate thereafter.

(ii) VMIL Loan

This loan represents a J\$700 million 13-month bridge loan with VMIL to continue the expansion of the Company's property portfolio. The loan was fully repaid during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Nine (9) Months Ended September 30, 2022

10. Segment reporting

The Group has three operating segments, rental of real estate, which includes the earning of income from the ownership of real estate. Internal management reports are reviewed monthly by the Board. Information regarding the reportable segment is included below.

Performance is measured on segment profit before income tax, as included in the internal management reports that are reviewed by the Board. Segment reporting is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segment compared to other entities that operate within these industries.

	Unaudited Nine (9) months ended September 30, 2022				
	Jamaica US\$	United States of America US\$	Cayman US\$	Consolidated adjustments and eliminations US\$	Total Group US\$
Revenues	1,351,208	79,216	1,043,468	-	2,473,892
(Loss) / profit for the period	299,176	436,951	711,471	-	1,447,597
	Unaudited as at September 30, 2022				
	Jamaica US\$	United States of America US\$	Cayman US\$	Consolidated adjustments and eliminations US\$	Total Group US\$
Segment assets	42,265,100	6,916,332	22,469,011	(13,044,278)	58,606,165
Segment liabilities	1,455,848	5,740,268	8,287,892	(40,936)	15,443,072

Kingston Properties Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Nine (9) Months Ended September 30, 2022

10. Segment reporting (cont'd):

	Unaudited Nine (9) months ended September 30, 2021				
	Jamaica US\$	United States of America US\$	Cayman US\$	Consolidated adjustments and eliminations US\$	Total Group US\$
Revenues	<u>1,019,549</u>	<u>172,091</u>	<u>1,008,580</u>	<u>-</u>	<u>2,200,220</u>
(Loss) / profit for the period	<u>190,316</u>	<u>430,101</u>	<u>725,851</u>	<u>-</u>	<u>1,346,268</u>

	Unaudited as at September 30, 2021				
	Jamaica US\$	United States of America US\$	Cayman US\$	Consolidated adjustments and eliminations US\$	Total Group US\$
Segment assets	<u>40,464,320</u>	<u>6,378,996</u>	<u>19,588,013</u>	<u>(17,413,944)</u>	<u>49,017,385</u>
Segment liabilities	<u>9,672,201</u>	<u>6,324,365</u>	<u>13,297,156</u>	<u>(11,238,751)</u>	<u>18,054,971</u>

	Audited Year ended December 31, 2021				
	Jamaica US\$	United States of America US\$	Cayman US\$	Consolidated adjustments and eliminations US\$	Total Group US\$
Revenues	<u>1,442,432</u>	<u>201,319</u>	<u>1,337,666</u>	<u>-</u>	<u>2,981,417</u>
Profit / (loss) for the year	<u>854,548</u>	<u>1,116,249</u>	<u>1,047,515</u>	<u>-</u>	<u>3,018,312</u>

	Audited as at December 31, 2021				
	Jamaica US\$	United States of America US\$	Cayman US\$	Consolidated adjustments and eliminations US\$	Total Group US\$
Segment assets	<u>50,192,199</u>	<u>4,935,848</u>	<u>21,362,096</u>	<u>(26,019,795)</u>	<u>50,470,348</u>
Segment liabilities	<u>14,383,030</u>	<u>4,195,072</u>	<u>9,093,045</u>	<u>(9,835,296)</u>	<u>17,835,851</u>

Kingston Properties Limited

SHAREHOLDING REPORTS AS AT SEPTEMBER 30, 2022

As at September 30, 2022

	PRIMARY ACCOUNT HOLDER	VOLUME	PERCENTAGE
1	VMWEALTH PROPERTY FUND	257,885,079	29.1524
2	PRIME ASSET MANAGEMENT JPS EMPLOYEES SUPERANNUATION FUND	138,584,772	15.6662
3	NATIONAL INSURANCE FUND	67,142,856	7.5901
4	VICTORIA MUTUAL INVESTMENT LIMITED	67,061,740	7.5809
5	PAM - COURTS (JAMAICA) PENSION PLAN	45,475,068	5.1407
6	PAM-POOLED EQUITY FUND	40,786,101	4.6106
7	PLATOON LIMITED	36,118,806	4.0830
8	PAM-POOLED PENSION REAL ESTATE	25,800,681	2.9166
9	GUARDIAN LIFE SHELTER PLUS FUND	20,680,000	2.3378
10	THE ATL GROUP PENSION FUND TRUSTEES NOMINEE LTD	18,000,000	2.0348
	Total Issued Capital:	884,609,294	
	Total Units Owned by Top 10 Shareholders:	717,535,103	
	Total Percentage Owned by Top 10 Shareholders:	81.1132%	

Kingston Properties Limited

DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS REPORT

As at September 30, 2022

DIRECTORS	SHAREHOLDINGS	CONNECTED SHAREHOLDINGS
Garfield Sinclair - Platoon Limited	Nil	36,118,806
Nicole Foga	432,830	Nil
Peter J. Reid & Margaret Sylvester-Reid	4,246,263	Nil
Lisa Gomes	672,760	Nil
Gladstone Lewars	667,000	Nil
Phillip Silvera	186,700	Nil
Rezworth Burchenson	421,146	Nil

SENIOR MANAGERS	SHAREHOLDINGS	CONNECTED SHAREHOLDINGS
Kevin G. Richards	2,000,035	Nil
Andray Francis	100,000	Nil
Tatesha Robinson-Rowe - Fenekie Rowe	98,746	73,400
Roxanne Kelly	4,600	Nil