



**KINGSTON
PROPERTIES
LIMITED**

UNAUDITED GROUP FINANCIAL STATEMENT

Nine (9) MONTHS ENDED SEPTEMBER 30, 2021



**KINGSTON
PROPERTIES
LIMITED**

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UNAUDITED GROUP FINANCIAL STATEMENTS

Nine (9) Months Ended September 30, 2021

HIGHLIGHTS

- **Group rental income increased by 35% YOY in 3Q 2021**
- **Net operating income (NOI) increased by 20% YOY in 3Q 2021**
- **Profit before finance charges and taxes increased by 82% YOY in 3Q 2021**
- **Funds from Operations (FFO) increased by 137% to \$893,314**
- **Book Value per share (BVPS) increased by 3% to \$0.04569.**

We are pleased to present the unaudited consolidated financial statements for the nine months ended September 30, 2021 in United States dollars, unless otherwise indicated.

OVERVIEW

The Group's operating results continue to see improvement year on year (YOY) as at the end of the third quarter of financial year 2021. Whereas the Group's financial performance in 2020 was affected largely by foreign exchange losses on Jamaican dollar cash balances being held longer than anticipated, the deployment of those funds in the second half of 2020 has been yielding positive results for the Group in 2021. The improved financial performance is also attributed to continued economic recovery spurred by reductions in some of the containment measures associated with the COVID-19 global pandemic and favourable vaccine rollout programmes in major global economies. In addition, a very buoyant homebuying

market in the US¹ has resulted in improved valuations of our condo portfolio allowing the Group to achieve gains on the disposal of condo units sold during the review period. This coupled with the strong tenant demand for our warehouse properties in Jamaica and the Cayman Islands contributed to higher revenues and profits for the quarter and the year to date.

INCOME STATEMENT

Group rental income increased by 34.5% year on year for the three months ended September 30, 2021 to \$763,105 compared to \$567,352 for the same period in 2020. However, it should be noted that the Group acquired the Harbour Centre building in the Cayman Islands and the East Ashenheim Road warehouse property in Jamaica in July 2020 and October 2020 respectively, so the Group's pool of earning assets was different for the three month period ended September 30, 2020, as compared to the same period in the current financial year. For the same reason the higher year on year figure was mainly due to the acquisition of these properties over the reporting period. Group rental income for the first nine months of the financial year, increased by 49.6% to \$2.2 million. The 2021 rental revenue reflects nine full months of revenue earned on the newly acquired properties when compared to the prior year's figure. In addition, the Group benefitted from the recovery in occupancy at some of our properties in the US and Cayman Islands that were affected in 2020 by early lockdown measures in those jurisdictions, as well as the addition of a property on Dumfries Road in Jamaica, that is fully leased. Direct property and administrative expenses which are reflected in **group operating expenses**, increased by 52.5% during the third quarter from \$255,165 in 2020 to \$389,073 in 2021. For the nine month period, the increase was 19.7% to \$962,501.

¹ <https://www.miamirealtors.com/2021/10/21/87686/>

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The increase is mainly due to higher broker fees and staff costs in 2021, however this was offset by lower homeowners association dues and property taxes in the US consequent on the disposal of eight (8) condo units in Florida since the second quarter of 2020.

Results of operating activities before other income (NOI) saw a 19.8% increase year on year for the third quarter of 2021 moving to \$374,032, while for the first nine months increased by 85.7% moving to \$1.2 million in 2021 from \$666,523 in 2020. In addition, net operating margin increased from 45.3% in 2020 to 56.3% in 2021, while EBITDA increased from \$745,085 to \$1,805,048 over the same period, representing an increase of 142.3%.

The Group recorded **profit before net finance charges** of \$631,658 in the third quarter of 2021 compared with \$349,468 in the same quarter in 2020, an increase of 82.3%. For the first nine months of the year, there was a 143.4% rise in this item to \$1.8 million from \$735,978. The figure in the first nine months of 2021 included (1) a fair value gain of \$343,483 from the Group's investment in a real estate fund, (2) an appreciation in the value of select condo units in our portfolio classified as held for sale, (3) gains from the disposal of two condo units at the Loft II in Miami during the third quarter of 2021, and (4) higher property management fee and other income earned year to date.

In the first nine months of 2021, the Group recorded a **profit before income tax** amounting to \$1.4 million compared to \$59,381 for the same period in 2020. The lower figure in 2020 resulted from higher **net finance costs** amounting to \$676,597 compared to \$405,946 in 2021. The figure in 2020 was primarily comprised of realized and unrealized foreign exchange losses arising from the translation of local currency balances as the Group held higher than normal local cash balances. The Group earned

lower interest income in 2021 due to the deployment of those high cash balances held in the previous year into new properties and capital improvement projects. **Profit after tax** in the third quarter of 2021 amounted to \$420,674 compared to \$413,552 for the third quarter of 2020, while for the nine months period, profit stood at \$1.4 million compared to \$70,154 in 2020. The Group recorded an **income tax charge** for 2021 compared to a tax credit in 2020, this is due to higher taxable income in the current year, compared to a reduction of our deferred tax liability during 2020.

BALANCE SHEET

Following the acquisition of a property in Jamaica during the first quarter of 2021 and higher fair value improvements on properties in Jamaica and Florida, **investment properties** increased by 2.8% year on year to \$40.1 million. The increase relative to prior years is mainly due to (1) the sale of two (2) condo units at the Loft II in Miami, and (2) the acquisition of equity interests in real estate partnerships. On July 21, 2021, the Group, through our subsidiary Kingston Properties Miami LLC, acquired a 38% interest in a partnership that purchased and is currently renovating a 155-unit multifamily property in Atlanta, Georgia. The purchase was for a consideration of \$1.8 million. In addition, on September 9, 2021, the Group through its subsidiary Kingston Properties (St. Lucia) Limited entered into an agreement with a developer for the purchase of three (3) pre-construction units in a mixed-use industrial development in the Cayman Islands. The Group also secured an option to acquire the fourth unit in the development on completion. The units are scheduled for delivery by October 2022.

Total assets stood at \$49.0 million as at September 30, 2021 compared to \$44.9 million the previous year, an increase of 9.2%. This included cash and near cash holdings of \$3.6 million, equity interests in real estate

UNAUDITED GROUP FINANCIAL STATEMENTS

Nine (9) Months Ended September 30, 2021

partnerships of \$3.1 million and deposits on investment properties amounting to \$1.3 million. **Total loans payable** were approximately \$17.7 million at September 30, 2021 compared with \$14.4 million at September 30, 2020 representing a 22.4% year on year increase in borrowings. These are all collateralized facilities that are denominated both in US and Jamaican dollars from our financial partners in Jamaica and the Cayman Islands. In June 2021 the Group secured a J\$700 million loan facility from Victoria Mutual Investments Limited (VMIL) to facilitate the expansion of the Group's property portfolio in keeping with our main strategic imperatives. The loan is at an interest rate of 6.4% per annum and for a term of thirteen (13) months. The rates on our USD facilities range between 2% and 3.9% per annum.

We continue to maintain conservative debt ratios as part of our risk management strategy.

	3Q2020	3Q2021
Total Loans as % of Investment Properties	37.04%	44.10%
Total Loans as % of Total Assets	32.18%	36.04%
Total Loans as % of Total Equity	48.17%	57.05%

Total Equity increased by 3.3% year on year to \$31.0 million from \$30.0 million in 2020. Book value per stock unit has improved from \$0.04423 at September 30, 2020 to \$0.04569 at September 30, 2021.

Funds from operations for the nine months ended September 30, 2021 increased by 137.2% year on year moving from \$376,586 to \$893,314.

Funds from Operations (FFO)	2021	2020
Net Profits	\$ 1,346,268	\$ 70,154
Depreciation and amortisation	\$ 13,986	\$ 9,107
Interest Income	\$ (46,516)	\$ (189,640)
Revaluations	\$ (343,483)	\$ -
(Gain)/loss on disposal of investment property	\$ (76,941)	\$ (14,405)
FX Adjustment	\$ -	\$ 501,370
	\$ 893,314	\$ 376,586

IMPACT OF THE COVID-19 PANDEMIC

The board and management continue to assess the impact on our operations of measures being used to curb the spread of the disease. Being more than a year and a half since the declaration of the global pandemic, we conduct periodic evaluation of the impact containment measures are having on our tenant base and devise mitigation strategies if needed. Occupancy levels and collections from our properties remain solid with greater than 95% of our tenants being current. With this prolonged period of economic distress the board approved a plan that required the Company to maintain sufficient cash resources to weather any shocks to our income and the need to meet debt service obligations and take advantage of any opportunistic deals that may arise.

STOCK PRICE AND DIVIDENDS

KPREIT's stock price closed at J\$8.55 at the end of the September quarter which represents an 18% gain since the start of the year, which has outpaced the performance of the JSE Main index by thirteen percentage points. For the year to date, approximately \$900,000 has been paid to shareholders as dividends, representing the largest total dividends distributed in a single year since the Group's inception in 2008.

UNAUDITED GROUP FINANCIAL STATEMENTS

Nine (9) Months Ended September 30, 2021

SUBSEQUENT EVENT

On October 11, 2021, the Group acquired an approximately 1.5 acre property in the Cross Roads area for a consideration of J\$75 million. The property is slated for development into a small bay warehouse complex. The acquisition is in keeping with our continued diversification strategy and our thrust to increase our holdings in industrial properties in various jurisdictions. The purchase was funded from proceeds of the loan arrangement with VMIL as well as cash resources of the Group.

SUMMARY AND OUTLOOK

Our strategy is based on building a more resilient business and to position for recovery in a post pandemic world. Whereas we have no clear view on exactly when a post pandemic era will occur, we anticipate that monetary authorities will continue to promote policies geared towards an economic recovery to pre-pandemic levels. Further, there is reasonable expectation that the economies which experienced robust growth prior to the pandemic will recover much faster in a post pandemic world and this augurs well for further growth in the real estate industry and improved returns for KP.REIT going forward. We believe that Cayman will remain a solid market, and we continue to be optimistic about its economic resilience and ability to provide our portfolio with more competitive yields. With the continued growth in e-commerce, we remain bullish on industrial properties throughout the region, and especially in the markets we operate. The diverse nature of our tenant base and geographic dispersion continues to offer a level of resilience to our operating income.

Our divestment of the Florida condo portfolio will continue and this will result in a shift into multi-family

properties to reduce valuation volatility and higher yields. We believe that the Group is well positioned to take advantage of any opportunities that arise due to a persistent pandemic environment by continuing to engage in a variety of fundraising activities. Both the board of directors and the management of the organization have collectively agreed on a environmental sustainability imperative for 2021. This will involve the preparation of our properties to achieve green certification by an internationally recognized organization in keeping with our mandate to play our part in combating climate change. Our work towards this goal began in 2020 with improvements of the air conditioning system at our Grenada Crescent property and efficient lighting solutions in all our properties to reduce energy consumption. Our target is to achieve green certification for all our properties by 2024.

We are well on our way to achieving our key strategic imperatives set out two years ago and which will see us go boldly into new directions to continue to create shareholder value. As always, thanks to our Board, shareholders and employees for your continued support.



Kevin G. Richards
Chief Executive Officer
November 11, 2021

Kingston Properties Limited

GROUP STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Nine (9) Months Ended September 30, 2021

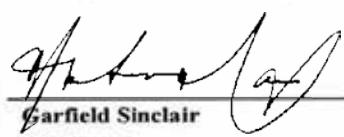
	Notes	Unaudited		Unaudited		Unaudited nine (9) months ended September 30,	Unaudited nine (9) months ended September 30,	Audited			
		Quarter ended September 30, 2021		Quarter ended September 30, 2020							
		US\$	US\$	US\$	US\$						
Rental income		763,105		567,352		2,200,220		1,470,821			
Operating expenses		(389,073)		(255,165)		(962,501)		(804,298)			
Results of operating activities before other income		374,032		312,186		1,237,719		666,523			
Other income / (losses):											
Increase in fair value of investment properties		142,445		-		142,445		307,539			
Gain / (loss) on disposal of investment properties		96,198		17,725		76,941		14,405			
Increase in fair value of other investments		-		-		201,038		85,219			
Impairment (losses) / credit on financial assets		(10,000)		-		(10,000)		5,802			
Management fees		18,187		16,703		54,323		46,813			
Miscellaneous income		10,796		(31)		88,596		2,435			
Operating profit		631,658		346,583		1,791,062		735,978			
Finance income		9,603		156,497		46,516		189,640			
Finance cost		(207,561)		(153,612)		(452,462)		(866,237)			
Net finance (costs) / income	4	(197,958)		2,884		(405,946)		(676,597)			
Profit before income tax		433,700		349,468		1,385,117		59,381			
Income tax (charge) / credit		(13,026)		64,084		(38,848)		10,773			
Total comprehensive income for the period / year		420,674		413,551		1,346,268		70,154			
Earnings per share for profit attributable to the equity holders of the Company:											
Number of shares		321,823,464		160,996,334		321,823,464		160,996,334			
Earnings per stock unit (\$):	5	0.0006		0.0006		0.0020		0.0001			
								0.0009			

GROUP STATEMENT OF FINANCIAL POSITION (UNAUDITED)

Nine (9) Months Ended September 30, 2021

	<u>Notes</u>	<u>Unaudited as at September, 2021</u>	<u>Unaudited as at September, 2020</u>	<u>Audited as at December 31, 2020</u>
		<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
NON-CURRENT ASSETS				
Investment properties	6	39,279,754	38,980,833	38,130,420
Investment in Real Estate Fund	7	3,079,426	-	1,085,219
Restricted cash		121,969	482,142	482,134
Furniture, software and equipment		197,467	244,375	169,487
Total non-current assets		42,678,616	39,707,350	39,867,260
CURRENT ASSETS				
Deposit on investment property		1,292,761	-	-
Investment properties held for sale	6	777,720	-	240,000
Receivables and prepayments		629,744	459,234	595,223
Income tax recoverable		27,241	16,249	20,848
Cash and cash equivalents		3,611,303	4,687,147	4,871,737
Total current assets		6,338,769	5,162,629	5,727,808
Total assets		49,017,385	44,869,979	45,595,068
EQUITY				
Share capital		25,316,779	25,319,010	25,316,779
Treasury shares	8	(442)	(2,231)	-
Cumulative translation reserve		(1,488,861)	(1,488,861)	(1,488,861)
Retained earnings		7,134,938	6,146,068	6,688,638
Total equity		30,962,414	29,973,986	30,516,556
NON-CURRENT LIABILITIES				
Loans payable	11	11,881,364	13,626,678	12,788,595
Total non-current liabilities		11,881,364	13,626,678	12,788,595
CURRENT LIABILITIES				
Loans payable	11	5,784,241	811,527	935,885
Accounts payable and accrued charges		344,476	457,789	1,354,031
Income tax payable		44,890	-	-
Total current liabilities		6,173,607	1,269,315	2,289,916
Total equity and liabilities		49,017,385	44,869,980	45,595,068

These financial statements were approved for issue by the Board of Directors on November 11, 2021 and signed on its behalf by:



Garfield Sinclair
Chairman



Phillip Silvera
Director

Kingston Properties Limited

GROUP STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Nine (9) Months Ended September 30, 2021

	Share capital <u>US\$</u>	Treasury shares <u>US\$</u>	Cumulative translation reserve <u>US\$</u>	Retained earnings <u>US\$</u>	Total <u>US\$</u>
Audited, balances at					
December 31, 2019 as previously reported	25,319,010	-	(1,488,861)	6,475,764	30,305,913
Transaction with owners of the company					
Shares repurchased		(2,231)	-	-	(2,231)
Profit, being comprehensive income for the period	-	-	-	70,154	70,154
Dividends paid, being total distribution to owners	-	-	-	(399,851)	(399,851)
Unaudited, balances at September 30, 2020					
	25,319,010	(2,231)	(1,488,861)	6,146,068	29,973,986
Audited, balances at December 31, 2020					
	25,316,779	-	(1,488,861)	6,688,638	30,516,556
Transactions 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	30,962,414



Kingston Properties Limited

GROUP STATEMENT OF CASH FLOWS (UNAUDITED)

Nine (9) Months Ended September 30, 2021

	Unaudited Nine (9) months ended September, 2021 US\$	Unaudited Nine (9) months ended September, 2020 US\$	Audited Year ended December 31, 2020 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period / year	1,346,268	70,154	612,725
Adjustments for:			
Income tax charge / (credit)	38,848	(10,773)	(15,378)
Depreciation	13,986	9,107	13,119
Interest income	(46,516)	(189,640)	(212,837)
Interest expense	375,124	364,867	458,444
Increase in fair value revaluation of investment property	(343,483)	-	(392,758)
Impairment (credit) / losses on financial assets	10,000	(5,802)	2,991
(Gain) / loss on disposal of investment property	(76,941)	(14,405)	78,392
Exchange losses	41,722	89,610	-
Operating profit before changes in working capital	1,359,008	313,118	544,698
Changes in:			
Other receivables	(34,521)	183,660	44,350
Accounts payable and accrued charges	(91,025)	32,239	39,481
Income tax paid	(40,582)	(51,215)	(51,209)
Net cash provided by operations	1,192,880	477,802	577,320
Cash flows from investing activities			
Interest received	46,516	193,620	213,167
Additions to office equipment	(41,966)	(199,560)	(130,185)
Net investment in Real Estate fund	(2,793,169)	-	-
Additions to investment property	(3,311,371)	(15,409,311)	(15,613,817)
Proceeds of disposal of furniture and equipment	-	-	1,500
Proceeds of disposal of investment property	474,000	382,526	1,412,187
Net cash used in investing activities	(5,625,990)	(15,032,725)	(14,117,148)
Cash flows from financing activities			
Interest paid	(324,569)	(161,113)	(438,608)
Dividends paid	(899,968)	(399,851)	(405,389)
Loan received	4,668,757	5,936,366	5,928,233
Loan repaid	(732,632)	(837,815)	(1,479,771)
Restricted cash	360,165	(359,846)	(359,838)
Treasury shares	(442)	(2,231)	(2,231)
Net cash provided by financing activities	3,071,311	4,175,511	3,242,397
Net decrease in cash and cash equivalents	(1,361,799)	(10,379,413)	(10,297,432)
Cash and cash equivalents at beginning of period	4,871,736	15,169,168	15,169,168
Effect of exchange rate fluctuations on cash and cash equivalents	3,509,937	4,789,755	4,871,736
Cash and cash equivalents at end of period / year	3,611,303	4,687,147	4,871,736

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Nine (9) Months Ended September 30, 2021

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 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) Kingston Properties (St. Lucia) Limited formerly known as Carlton Savannah REIT (St Lucia) Ltd, incorporated in St. Lucia under the IBC Act of 1999 on May 8, 2008; and its wholly owned subsidiary: Kingston Properties Miami LLC, incorporated in Florida under the Florida Limited Liability Company Act on March 12, 2010.
- (ii) KP (Reit) Jamaica Limited, incorporated on September 14, 2018, in Jamaica under the Companies Act.
- (iii) KP (Reit) Dumfries Jamaica Ltd, incorporated on February 15, 2021, in Jamaica 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, Kingston Properties (St. Lucia) Limited.

The principal activity of the Group is to make accessible to investors, the income earned from the ownership of real estate properties 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, 2020. 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, 2020.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended December 31, 2020.

(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, 2021

4. Finance costs

	Unaudited Quarter ended September 30, 2021 <u>US\$</u>	Unaudited Quarter ended September 30, 2020 <u>US\$</u>	Unaudited nine (9) months ended September 30, 2021 <u>US\$</u>	Unaudited nine (9) months ended September 30, 2020 <u>US\$</u>	Audited Year end December 31, 2020 <u>US\$</u>
Finance income					
Interest income	<u>9,603</u>	<u>18,160</u>	<u>46,516</u>	<u>189,640</u>	<u>212,837</u>
Foreign exchange gains arising from investing and financing activities:					
Net gains on conversion of foreign currency investments and borrowings	<u>-</u>	<u>138,337</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total finance income	<u>9,603</u>	<u>156,497</u>	<u>46,516</u>	<u>189,640</u>	<u>212,837</u>
Finance costs:					
Foreign exchange losses	<u>(45,827)</u>	<u>-</u>	<u>(77,338)</u>	<u>(501,370)</u>	<u>(522,753)</u>
Interest expense	<u>(135,715)</u>	<u>(122,151)</u>	<u>(324,569)</u>	<u>(322,276)</u>	<u>(458,444)</u>
Commitment fees	<u>(26,019)</u>	<u>(31,463)</u>	<u>(50,555)</u>	<u>(42,591)</u>	<u>(48,722)</u>
Total finance costs	<u>(207,561)</u>	<u>(153,614)</u>	<u>(452,462)</u>	<u>(866,237)</u>	<u>(1,029,919)</u>
Net finance costs	<u>(197,958)</u>	<u>2,884</u>	<u>(405,946)</u>	<u>(676,597)</u>	<u>(817,082)</u>

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 Three months ended September 30, 2021	Unaudited Three months ended September 30, 2020	Unaudited Nine months ended September 30, 2021	Unaudited Three months ended September 30, 2020	Audited Year ended December 31, 2020
Weighted average number of ordinary stock units held during the year	677,645,790	677,664,772	677,645,790	677,664,772	677,662,399
Earnings per share (US\$)	<u>0.0001921</u> <u>0.0006</u>	<u>0.00</u> <u>0.0006</u>	<u>0.10</u> <u>0.0020</u>	<u>0.0001</u> <u>0.0001</u>	<u>0.0009</u> <u>0.0009</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Nine (9) Months Ended September 30, 2021

6. Investment properties

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

	Unaudited September 30, 2021 <u>US\$</u>	Unaudited September 30, 2020 <u>US\$</u>	Audited December 31, 2020 <u>US\$</u>
(i) Jamaica	21,116,803	18,423,025	19,043,565
(ii) Cayman Islands	16,040,359	16,029,128	16,019,176
(iii) United States of America	<u>2,122,592</u>	<u>4,528,680</u>	<u>3,067,679</u>
	<u>39,279,754</u>	<u>38,980,833</u>	<u>38,130,420</u>

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

	Unaudited September 30, 2021 <u>US\$</u>	Unaudited September 30, 2020 <u>US\$</u>	Audited December 31, 2020 <u>US\$</u>
Balance as at beginning of year	38,130,420	23,939,643	23,939,643
Additions during the year	2,089,868	15,409,190	15,613,817
Disposals during the year	(305,127)	(368,000)	(1,490,579)
Transfers to held-for-sale	(777,852)	-	(240,000)
Fair value gains	<u>142,445</u>	<u>-</u>	<u>307,539</u>
Balance at end of the period	<u>39,279,754</u>	<u>38,980,833</u>	<u>38,130,420</u>

7. Investment in real estate fund

During the quarter the Company entered into a Limited Partnership arrangement to form Polaris at Camp Creek Partners LLC (Polaris). The Company acquired 1,831,364 units in the Partnership which is approximately 38% holding. Polaris currently owns a 155-unit multi-family property located in the USA. The Company also holds 1,000,000 units of the CGI Fund I which owns several Class A properties in the USA. Both investments are measured at fair value using level 3 valuation methods which includes unobservable inputs

8. Treasury shares

The repurchase of the Company's stock units is being conducted on the open market through the Company's stockbroker on the decision of the Board of Directors. During the year, the Company repurchased 9,471 stock units at a cost of US\$442

9. 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. None of the additional shares were issued as at the date of these financial statements, however at the said meeting, the shareholders approved the raising of additional capital by way of an Additional Public Offer.

10. Incorporation of subsidiary

During the year, KP (REIT) Dumfries Limited was incorporated under the Companies Act of Jamaica, being a wholly owned subsidiary of Kingston Properties Limited. The principal activity of KP (REIT) Dumfries Limited is to own investment properties located along Dumfries Road in Jamaica

Kingston Properties Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Nine (9) Months Ended September 30, 2021

11. Loans payable	Unaudited September 30, 2021 <u>US\$</u>	Unaudited September 30, 2020 <u>US\$</u>	Audited December 31, 2020 <u>US\$</u>
Terrabank Loans			
Carrying value	-	754,530	56,231
RBC Bank Loans			
Carrying value	8,731,310	9,138,439	9,092,222
FCIB Bank Loans			
Carrying value	4,286,538	4,545,236	4,576,027
VMIL Bridge Loan facility***			
Carrying value	4,647,757	-	-
Total loans payable	17,665,605	14,438,205	13,724,480
Less: Current Portion	5,784,242	811,527	935,885
Non-Current Loans Payable	11,881,363	13,626,678	12,788,595

*****VMIL Loan**

The company signed a J\$700 million 13-month bridge loan with Victoria Mutual Investments Limited (VMIL) to continue the expansion of its property portfolio and real estate backed investment products. At the end of the quarter the facility was fully drawn down and partly deployed in a multi-family property in the US and commercial properties in Jamaica and the Caribbean region

12. Segment reporting

The Group has three operating segments, which are defined geographically in Jamaica, Florida and St. Lucia. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expense that relate to transactions with any of the Group's other components.

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 operated within these industries.

Unaudited Nine (9) months ended September 30, 2021					
	Jamaica <u>US\$</u>	United States of America <u>US\$</u>	St. Lucia <u>US\$</u>	Consolidated adjustments and eliminations <u>US\$</u>	Total Group <u>US\$</u>
Revenues	1,019,549	172,091	1,008,580	-	2,200,220
Profit for the period	190,316	430,101	725,852	-	1,346,268
Unaudited as at September 30, 2021					
	Jamaica <u>US\$</u>	United States of America <u>US\$</u>	St. Lucia <u>US\$</u>	Consolidated adjustments and eliminations <u>US\$</u>	Total Group <u>US\$</u>
Segment assets	40,464,320	6,378,996	19,588,013	(11,382,558)	55,048,771
Segment liabilities	9,672,201	6,324,365	13,297,156	(5,207,364)	24,086,358

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Nine (9) Months Ended September 30, 2021

12. Segment reporting (cont'd):

Unaudited Nine (9) months ended September 30, 2020					
	Jamaica	United States of America	St. Lucia	Consolidated adjustments and eliminations	Total Group
	US\$	US\$	US\$	US\$	US\$
Revenues	699,783	265,847	505,191	-	1,470,821
(Loss) / profit for the period	(242,196)	(14,067)	285,495	40,923	70,154

Unaudited as at September 30, 2020					
	Jamaica	United States of America	St. Lucia	Consolidated adjustments and eliminations	Total Group
	US\$	US\$	US\$	US\$	US\$
Segment assets	34,453,988	4,919,375	19,036,346	(13,539,731)	44,869,978
Segment liabilities	4,927,706	5,138,634	13,709,638	(8,879,985)	14,895,993

Audited Year ended December 31, 2020					
	Jamaica	United States of America	St. Lucia	Consolidated adjustments and eliminations	Total Group
	US\$	US\$	US\$	US\$	US\$
Revenues	969,710	326,038	834,979	-	2,130,727
Profit / (loss) for the year	467,626	(167,622)	523,273	(210,552)	612,725

Audited as at December 31, 2020					
	Jamaica	United States of America	St. Lucia	Consolidated adjustments and eliminations	Total Group
	US\$	US\$	US\$	US\$	US\$
Segment assets	35,206,375	4,841,159	23,795,111	(18,247,577)	45,595,068
Segment liabilities	4,967,745	5,216,631	18,230,627	(13,336,491)	15,078,512

SHAREHOLDINGS REPORT AS AT SEPTEMBER 30, 2021

TOP TEN SHAREHOLDERS		# OF UNITS HELD	%
1	VMWEALTH PROPERTY FUND	237,412,179	35.0%
2	PRIME ASSET MANAGEMENT JPS EMPLOYEES SUPERANNUATION FUND	138,584,772	20.5%
3	PAM - COURTS (JAMAICA) PENSION PLAN	45,475,068	6.7%
4	PAM - POOLED EQUITY FUND	41,096,639	6.1%
5	PLATOON LIMITED	31,018,806	4.6%
6	NATIONAL INSURANCE FUND	27,142,856	4.0%
7	PAM-POOLED PENSION REAL ESTATE	25,800,681	3.8%
8	GUARDIAN LIFE SHELTER PLUS FUND	20,680,000	3.1%
9	SAGICOR LIFE - LASCELLES DEMERCADO DEFINED CONTRIBUTION FUND	17,793,565	2.6%
10	GUARDIAN LIFE POOLED PENSION FUND	10,000,000	1.5%
TOTAL		595,004,566	87.8%

DIRECTORS	SHAREHOLDINGS	CONNECTED SHAREHOLDINGS
Garfield Sinclair	Nil	
- Platoon Limited		31,018,806
Nicole Foga	245,730	Nil
Peter J. Reid &	4,246,263	Nil
- Margaret Sylvester-Reid	Nil	Nil
Lisa Gomes	459,460	Nil
Gladstone "Tony" Lewars	Nil	Nil
Phillip Silvera	Nil	Nil
Rezworth Burchenson	421,146	Nil
SENIOR MANAGERS	SHAREHOLDINGS	CONNECTED SHAREHOLDINGS
Kevin G. Richards	794,635	Nil
Tatesha Robinson-Rowe	28,746	Nil
- Fenekie Rowe		30,000
Andray Francis	Nil	Nil
Roxanne Kelly	1,200	Nil