



**KINGSTON
PROPERTIES
LIMITED**

UNAUDITED GROUP FINANCIAL STATEMENT

SIX (6) MONTHS ENDED JUNE 30, 2024



**KINGSTON
PROPERTIES
LIMITED**

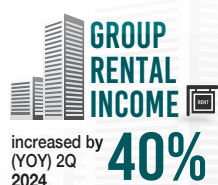
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UNAUDITED GROUP FINANCIAL STATEMENTS

Six (6) Months Ended June 30, 2024

QUARTER HIGHLIGHTS



We are pleased to present the unaudited consolidated financial statements for the six months ended June 30, 2024 in United States dollars.

OVERVIEW

The Group achieved significant growth in operating results for the second quarter of financial year 2024 when compared to the same period in the prior year. The expansion of the investment property portfolio in the last nine months along with consistently high occupancy rates were the primary drivers of this performance. Occupancy rates at our investment properties topped 92% at the end of the reporting period and the Group continues to benefit from a diverse tenant base comprised primarily of financial, warehousing & logistics, manufacturing, and government service providers. The Group's strategy of seeking out value-add opportunities in the commercial real estate space along with effective property management is attributable to the improvement in rental rates and ultimately improved property values across the portfolio. Management remains focussed on three strategic imperatives namely, constantly growing the total assets under management; achieving a return on average equity of approximately 10% per annum while; generating higher levels of free cash flows from our operating activities

to consistently pay dividends to our shareholders.

INCOME STATEMENT

Group rental income increased by 40.1% year on year for the three months ended June 30, 2024 to \$1.22 million versus \$870,842 for the same period in 2023. The higher year on year figure is attributable to the addition of Grand Harbour Commercial Centre (GHCC) units to the portfolio, combined with increases in rental rates at some of our properties. For the first six months of the financial year, group rental income increased by 34.7% to \$2.33 million. **Group operating expense**, which is comprised of direct property and administrative expenses, increased by 27.6% during the second quarter from \$350,567 in 2023 to \$447,450 in 2024. For the half year, the increase was 21.6% to \$837,182. The increase is mainly a function of year over year inflationary impact on property insurance and staff costs, as well as higher property management fees due to the addition of GHCC.

The net effect saw **results of operating activities before other income/losses (NOI)** increasing by 48.5% year on year for the second quarter of 2024, while **NOI** for the first half year increased by 43.4% moving to \$1.50 million in 2024 from \$1.04 million in 2023. In addition, net operating margin moved from 60.2% in 2023 to 64.1% in 2024.

Kingston Properties Limited

UNAUDITED GROUP FINANCIAL STATEMENTS

Six (6) Months Ended June 30, 2024

The Group recorded **operating profit** before net finance charges (or EBITDA) of \$789,280 in the second quarter of 2024 compared to \$464,050 in the same quarter of 2023, an increase of 70.1%. For the first six months of the year, there was a 41.4% rise in this item to \$2.07 million. The figure in the first half of 2024 included a fair value gain of \$592,737 stemming from the investment properties in our Cayman portfolio that were re-classified as held for sale. During 2023 fair value gains of \$382,184 were recorded on a similar reclassification of our Dumfries Road property in Jamaica. The Group fully realised the 2023 gains through the subsequent disposal of the Dumfries Road property and is now in the process of realizing the 2024 gains through the disposal of the Cayman asset subsequent to the reporting date.

For the second quarter of 2024, the Group recorded a **profit before income tax** of \$486,352 compared to \$322,064 in 2023, representing an increase of 51.0%. In the first half of 2024, the profit before income tax amounted to \$1.43 million compared to \$1.15 million for the same period in 2023. The growth in **profit before income tax** in the first half of 2024 was tempered by higher net finance costs of \$698,529 compared to \$473,308 for the same period in 2023. The increase in interest expense was primarily driven by higher loan balances during the review period which resulted from the financing of GHCC. Notably, the Group continues to benefit from stabilized interest rates due to its strategy of switching from variable to fixed rate debts in an environment characterised by high benchmark interest rates globally.

Total comprehensive income (TCI) in the second quarter of 2024 amounted to \$476,869 compared to \$321,472 for the second quarter of 2024, representing an increase of 48.3%, while for the six months period, TCI increased by 22.9% to \$1.42 million compared to \$1.16 million for the prior period. The Group's earnings

per share (EPS) for the second quarter of 2024 was \$0.0005 and \$0.0016 for the six months ended June 2024, being 25% and 23% higher than the same periods in 2023, respectively.

Funds from operations (FFO) for the first six months of the year improved by 43.6% to \$883,789 compared to \$615,261 for the same period in 2023. This was primarily due to the growth in core rental income and mitigated by one-off miscellaneous expenses of \$99,700. Excluding these one-off expenses, natural FFO grew YoY by approximately 60% during the period.

BALANCE SHEET

Following the 2023 acquisition of GHCC, improvements in the fair value of our assets at the end of FY2023 as well as capital improvements on our regional assets, **investment properties** grew by 47.8% as of June 30, 2024, to \$57.6 million compared to \$39.0 million in 2023. Additionally, **total assets** under management grew by 25.9% to \$76.3 million compared to \$60.6 million at the end of the second quarter of last year. The decrease in cash holdings from \$8.8 million to \$5.5 million resulted from the deployment of cash into the acquisition of income generating properties as well as value-add improvements to existing assets. The Group carried out an upgrading exercise on the Harbour Centre property which now boasts energy saving features and continued our green initiative policy across the Group. These upgrades are expected to drive improvements in rental rates at this property. Also, during the first half of 2024 certain properties were classified as held for sale, as the Group intends to realize profits on segments of the portfolio in order to provide liquidity to access other income and growth opportunities.

Total Equity increased by 8.2% year on year to \$48.8 million from \$45.1 million in 2023, due primarily to

UNAUDITED GROUP FINANCIAL STATEMENTS

Six (6) Months Ended June 30, 2024

improvements in our property values at the end of financial year 2023 and higher net profits generated in the first half of 2024. Book value per stock unit improved from US\$0.05101 at June 30, 2023 to US\$0.05520 / J\$8.63 at June 30, 2024. KPREIT's stock price closed at J\$8.95 per share at the end of the first half of 2024, representing a 16.7% increase YoY and 14.7% increase since the start of 2024. This compares to a decline in the JSE Main Index of 3.7% YoY and 4.8% since the start of the year.

Total loans payable amounted to \$26.5 million at June 30, 2024 compared with \$14.9 million at June 30, 2023 representing a 77.5% year on year increase in borrowings. These are collateralized bank financing 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. Despite the increase in total loans payable, the Group is relatively underleveraged, with total loans payable being 35% of total assets and debt to equity of 54%.

We continue to maintain conservative debt ratios as part of our risk management strategy with options to refinance our debts when the market becomes more favourable.



SUMMARY AND OUTLOOK

The Group continues to generate strong financial results and portfolio growth through the acquisition of higher yielding assets and improved efficiency in our operations. This is demonstrated by our YoY growth of 35% and 41% in rental income and operating profit, respectively as well as the 38% growth in total investment assets. We are focused on optimization of the portfolio to generate more efficiency in property management, by monetizing the gains in some of our smaller assets while strategically growing the portfolio with larger, higher yielding assets. We have embarked on the disposal of the assets classified as held for sale which is expected to boost our net results for the year. Conversely, the acquisition of GHCC during 2023 will continue to drive rental income growth during the next quarter of this year while the Group continues to scout deals that satisfy our risk reward metrics to grow the investment asset base and drive future growth in core revenues.

Even as the Group enjoys significant growth in core revenues, we are exploring opportunities to maximize revenues from existing properties such as the Harbour Centre property which was recently upgraded and is currently operating at less than full capacity along with the mixed-use industrial complex Gumtree 5, in the Cayman Islands, which was completed and title

	1H 2024	1H 2023
Loans as a % of Total Assets	34.7%	24.6%
Loans as a % of Total Equity	54.2%	33.1%
Loans as a % of Total Investment Properties	38.0%	29.6%

Kingston Properties Limited

UNAUDITED GROUP FINANCIAL STATEMENTS

Six (6) Months Ended June 30, 2024

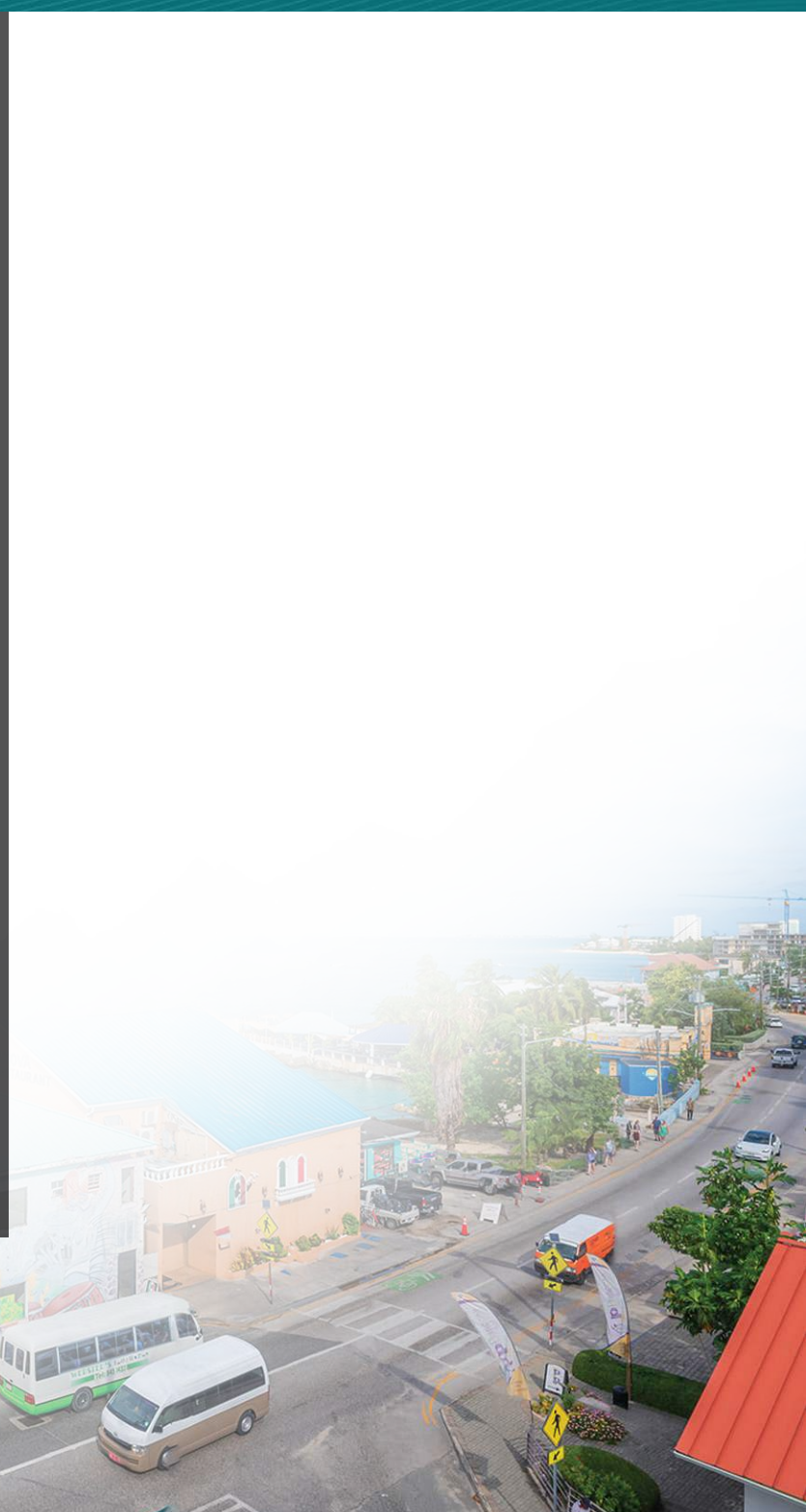
transferred to the Group during June 2024. We remain close to breaking ground with our first greenfield project in Jamaica, to construct a small bay warehouse complex in the Cross Roads area. All regulatory approvals are in place for this project to proceed. Given these developments and other pipeline deals, the Group is poised to move closer to its medium-term target of \$100 million in assets under management and to generate FFO greater than \$2 million per year.

In addition to the impending transactions, we are constantly assessing the global markets for opportunities to strengthen and achieve greater geographical diversification in the portfolio. The US Fed continues to pause interest rate hikes, and the Bank of England cut rates by 25bp at its last meeting, bolstering our expectations that benchmark interest rates will moderate in the near future. We therefore remain bullish on our thrust to enter new markets and have incorporated a subsidiary in the United Kingdom during the previous quarter in preparation for this move. Along with our operational plans, the Group remains fully committed to continued partnerships with the communities in which it operates and to its green policy initiatives. More of our properties are being outfitted with energy conservation and waste management mechanisms as we aim for full green operations across our properties.

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



Kevin G. Richards
Chief Executive Officer
August 13, 2024



Kingston Properties Limited

**GROUP STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)**

Six (6) Months Ended June 30, 2024

	<u>Notes</u>	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		Quarter ended	Quarter ended	Six (6) months	Six (6) months	Year ended
		June 30,	June 30,	ended	ended	December 31,
		2024	2023	June 30,	June 30,	2023
		<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Rental income		1,220,065	870,842	2,332,581	1,731,430	3,837,090
Operating expenses		<u>(447,450)</u>	<u>(350,567)</u>	<u>(837,182)</u>	<u>(688,412)</u>	<u>(1,533,287)</u>
Results of operating activities before other income/losses		772,615	520,275	1,495,399	1,043,018	2,303,802
Other income / losses:						
Increase in fair value of investment property		-	-	592,737	382,184	2,619,865
(Loss)/gain on disposal of investment properties		-	(3,600)	-	42,770	442,946
Impairment losses on financial assets		-	(10,000)	-	(20,000)	(92,082)
Management fees		28,592	25,311	60,420	59,604	115,226
Miscellaneous expenses		<u>(11,927)</u>	<u>(67,936)</u>	<u>(80,581)</u>	<u>(44,807)</u>	<u>(39,870)</u>
Operating profit		789,280	464,050	2,067,975	1,462,769	5,349,887
Finance income		44,388	142,418	63,050	164,867	282,027
Finance cost		<u>(347,316)</u>	<u>(284,404)</u>	<u>(698,529)</u>	<u>(473,308)</u>	<u>(962,851)</u>
Net finance costs	3	<u>(302,928)</u>	<u>(141,986)</u>	<u>(635,479)</u>	<u>(308,441)</u>	<u>(680,824)</u>
Profit before income tax		486,352	322,064	1,432,496	1,154,328	4,669,063
Income tax (charge)/credit		<u>(9,483)</u>	<u>(592)</u>	<u>(9,483)</u>	<u>3,400</u>	<u>(21,547)</u>
Total comprehensive income for the period / year		<u>476,869</u>	<u>321,472</u>	<u>1,423,013</u>	<u>1,157,728</u>	<u>4,647,516</u>
Earnings per share for profit attributable to the equity holders of the Company:						
Earnings per stock unit (US\$):	4	<u>0.0005</u>	<u>0.0004</u>	<u>0.0016</u>	<u>0.0013</u>	<u>0.0053</u>

Kingston Properties Limited

**GROUP STATEMENT OF
FINANCIAL POSITION (UNAUDITED)**

Six (6) Months Ended June 30, 2024

		Unaudited as at June 30, 2024	Unaudited as at June 30, 2023	Audited as at December 31, 2023
	Notes	US\$	US\$	US\$
NON-CURRENT ASSETS				
Investment properties	5	57,625,842	38,990,952	59,178,916
Investment in Real Estate Fund	6	4,864,683	4,864,683	4,864,683
Deposit on investment property		568,390	2,640,091	2,773,590
Restricted cash		-	96,192	-
Furniture, software and equipment		90,076	-	95,568
Total non-current assets		63,148,991	46,591,918	66,912,757
CURRENT ASSETS				
Investment properties held for sale		6,519,559	3,929,000	-
Receivables and prepayments		1,095,957	1,114,587	825,509
Income tax recoverable		44,893	73,893	47,833
Cash and cash equivalents		5,467,894	8,855,601	3,170,290
Total current assets		13,128,303	13,973,081	4,043,632
Total assets		76,277,294	60,564,999	70,956,389
EQUITY				
Share capital		34,903,346	34,903,346	34,903,346
Cumulative translation reserve		(1,488,861)	(1,488,861)	(1,488,861)
Retained earnings		15,382,576	11,674,669	14,459,908
Total equity		48,797,061	45,089,154	47,874,393
NON-CURRENT LIABILITIES				
Loans payable	7	24,777,874	13,664,308	20,777,039
Deferred tax liabilities		108,473	108,473	108,473
Total non-current liabilities		24,886,347	13,772,781	20,885,512
CURRENT LIABILITIES				
Loans payable	7	1,694,108	1,249,500	1,428,566
Accounts payable and accrued charges		899,778	442,522	739,154
Income tax payable		-	11,042	28,764
Total current liabilities		2,593,886	1,703,064	2,196,484
Total equity and liabilities		76,277,294	60,564,999	70,956,389

The financial statements on pages were approved for issue by the Board of Directors on August 13, 2024 and signed on its behalf by:


Garfield Sinclair - Chairman


Phillip Silvera - Director

Kingston Properties Limited

GROUP STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Six (6) Months Ended June 30, 2024

	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					
Audited, balances at December 31, 2022	34,931,493	(28,147)	(1,488,861)	11,179,945	44,594,430
Transaction with owners of the company:					
Profit, being comprehensive income for the period	-	-	-	1,157,728	1,157,728
Dividends paid, being total distribution to owners	-	-	-	(663,004)	(663,004)
Unaudited, balances at June 30, 2023	<u>34,931,493</u>	<u>(28,147)</u>	<u>(1,488,861)</u>	<u>11,674,669</u>	<u>45,089,154</u>
Audited, balances at December 31, 2023					
Audited, balances at December 31, 2023	34,903,346	-	(1,488,861)	14,459,908	47,874,393
Transactions with owners of the company:					
Profit, being comprehensive income for the period	-	-	-	1,423,013	1,423,013
Dividends paid, being total distribution to owners	-	-	-	(500,345)	(500,345)
Unaudited, balances at June 30, 2024	<u>34,903,346</u>	<u>-</u>	<u>(1,488,861)</u>	<u>15,382,576</u>	<u>48,797,061</u>

Kingston Properties Limited

GROUP STATEMENT OF CASH FLOWS (UNAUDITED)

Six (6) Months Ended June 30, 2024

	Unaudited Six (6) months ended June 30, 2024 <u>US\$</u>	Unaudited Six (6) months ended June 30, 2023 <u>US\$</u>	Audited Year ended December 31, 2023 <u>US\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period / year	1,423,013	1,157,728	4,647,516
Adjustments for:			
Income tax charge/(credit)	9,483	(3,400)	21,547
Depreciation	13,151	12,793	25,470
Interest income	(49,354)	(130,306)	(244,881)
Interest expense	698,529	473,308	962,851
Increase in fair value revaluation of investment property	(592,737)	(382,184)	(2,619,865)
Impairment losses on financial assets	-	20,000	92,082
Gain on disposal of investment property	-	(42,770)	(442,946)
Exchange Losses/(gains)	1,516	(31,803)	(57,008)
	<u>1,503,601</u>	<u>1,073,365</u>	<u>2,384,766</u>
Operating profit before changes in working capital			
	1,503,601	1,073,365	2,384,766
Changes in:			
Other receivables	(267,508)	(419,692)	(194,860)
Accounts payable and accrued charges	160,624	28,259	306,606
Income tax paid	(28,764)	(16,483)	(20,114)
	<u>1,367,953</u>	<u>665,449</u>	<u>2,476,398</u>
Net cash provided by operations			
	1,367,953	665,449	2,476,398
Cash flows from investing activities			
Interest received	49,354	130,306	237,993
Additions to office equipment	(7,659)	(11,467)	(23,520)
Deposit on investment properties	(1,478,905)	(1,060)	(134,559)
Additions to investment property	(689,643)	(100,182)	(15,385,122)
Proceeds of disposal of investment property	-	826,338	2,463,100
	<u>(2,126,853)</u>	<u>843,935</u>	<u>(12,842,108)</u>
Net cash (used in) / provided by investing activities			
	(2,126,853)	843,935	(12,842,108)
Cash flows from financing activities			
Interest paid	(698,529)	(454,755)	(806,295)
Dividends paid	(500,345)	(663,004)	(1,367,553)
Loan received, net proceeds	4,948,250	4,521,873	14,115,000
Loan repaid	(681,873)	(683,184)	(3,009,478)
Restricted cash	-	1,969	-
	<u>3,067,503</u>	<u>2,722,899</u>	<u>8,931,673</u>
Net cash provided by financing activities			
	3,067,503	2,722,899	8,931,673
Net increase/(decrease) in cash and cash equivalents	2,308,604	4,232,284	(1,434,036)
Cash and cash equivalents at beginning of period	3,170,290	4,623,317	4,623,317
	<u>5,478,894</u>	<u>8,855,601</u>	<u>3,189,281</u>
Effect of exchange rate fluctuations on cash and cash equivalents	(11,000)	-	(18,991)
Cash and cash equivalents at end of period / year	5,467,894	8,855,601	3,170,290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Six (6) Months Ended June 30, 2024

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; and its wholly-owned subsidiary KPREIT (Cayman) Limited. On January 3, 2022 the Company transferred 100% of its shareholdings in the company formally known as Kingston Properties (St. Lucia) Limited to its subsidiary KPREIT (St Lucia) Limited. On January 4, 2022 the company formally known as Kingston Properties (St Lucia) Limited was redomiciled to the Cayman Islands by way of continuation, and its name changed on the said date to KPREIT (Cayman) Limited
- (ii) Kingston Properties Miami LLC a wholly owned subsidiary of KPREIT (Cayman) Limited was incorporated in Florida under the Florida Limited Liability Company Act.
- (iii) KP (Reit) Jamaica Limited, incorporated in Jamaica under the Companies Act.
- (iv) KP Dumfries Limited, 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, 2023. The explanatory notes attached to the interim financials 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, 2023. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended December 31, 2023.

(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.

Kingston Properties Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Six (6) Months Ended June 30, 2024

3. Finance costs

	Unaudited Quarter ended June 30, 2024 US\$	Unaudited Quarter ended June 30, 2023 US\$	Unaudited Six (6) months ended June 30, 2024 US\$	Unaudited Six (6) months ended June 30, 2023 US\$	Audited Year end December 31, 2023 US\$
Finance income:					
Interest income	25,229	92,805	49,354	130,306	244,881
Foreign exchange gains arising from investing and financing activities:					
Net gains on conversion of foreign currency investments and borrowings	<u>19,159</u>	<u>49,613</u>	<u>13,696</u>	<u>34,561</u>	<u>37,146</u>
Total finance income	<u>44,388</u>	<u>142,418</u>	<u>63,050</u>	<u>164,867</u>	<u>282,027</u>
Finance costs:					
Interest expense	(333,013)	(273,145)	(668,549)	(454,755)	(907,685)
Commitment fees	<u>(14,303)</u>	<u>(11,259)</u>	<u>(29,980)</u>	<u>(18,553)</u>	<u>(55,166)</u>
Total finance costs	<u>(347,316)</u>	<u>(284,404)</u>	<u>(698,529)</u>	<u>(473,308)</u>	<u>(962,851)</u>
Net finance costs	<u>(302,928)</u>	<u>(141,986)</u>	<u>(635,479)</u>	<u>(308,441)</u>	<u>(680,824)</u>

4. 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 June 30, 2024 US\$	Unaudited Quarter ended June 30, 2023 US\$	Unaudited Six (6) months ended June 30, 2024 US\$	Unaudited Six (6) months ended June 30, 2023 US\$	Audited Year ended December 31, 2023 US\$
Weighted average number of ordinary stock units held during the year	884,000,000	884,000,000	884,000,000	884,000,000	884,000,000
Earnings per share (S)	<u>0.0005</u>	<u>0.0004</u>	<u>0.0016</u>	<u>0.0013</u>	<u>0.0053</u>

Kingston Properties Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Six (6) Months Ended June 30, 2024

5. Investment properties

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

	Unaudited June 30, 2024 US\$	Unaudited June 30, 2023 US\$	Audited December 31, 2023 US\$
(i) Jamaica	25,410,348	20,740,498	25,377,764
(ii) Cayman Islands	32,215,494	18,250,453	33,801,152
	<u>57,625,842</u>	<u>38,990,951</u>	<u>59,178,916</u>

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

	Unaudited June 30, 2024 US\$	Unaudited June 30, 2023 US\$	Audited December 31, 2023 US\$
Balance as at beginning of year	59,178,916	40,137,529	40,137,529
Additions during the year	4,373,748	100,239	15,385,122
Disposals during the year	-	-	(1,263,600)
Transfers (to)/from held-for-sale	(6,519,559)	(1,629,000)	2,300,000
Fair value gains	592,737	382,184	2,619,865
Balance at end of the period	<u>57,625,842</u>	<u>38,990,952</u>	<u>59,178,916</u>

During the period, the Group transferred Rosedale Warehouses and Tropic Centre to Investment properties held for sale, and recognized fair value gains of \$592,737. As at reporting date, the Group completed the sale of 5 units in Tropic Centre. During 2023 the property at Dumfries Road was transfer to asset held for sale and a fair value gain of \$382,184 recognized. The Dumfries Road property was subsequently sold in 2023.

6. Investment at fair value through profit or loss

	Unaudited June 30, 2024 US\$	Unaudited June 30, 2023 US\$	Audited December 31, 2023 US\$
CGI Fund I	1,000,000	1,000,000	1,000,000
Polaris at Camp Creek LLC	2,244,659	2,244,659	2,244,659
Polaris at East Point	1,620,024	1,620,024	1,620,024
	<u>4,864,683</u>	<u>4,864,683</u>	<u>4,864,683</u>

The company invested in these funds which are measured at fair value. CGI Fund I operates in the United States and holds several Class A commercial properties in Miami. Polaris at Camp Creek and Polaris at East Point are both Delaware LLCs which were formed to acquire and develop multi-family properties in Atlanta. The fair value measurement of the funds have been categorised as a level 3 fair value which includes unobservable inputs in the valuation techniques.

7. Loans payable

	Unaudited June 30, 2024 US\$	Unaudited June 30, 2023 US\$	Audited December 31, 2023 US\$
RBC Bank Loans			
Carrying value	13,327,356	4,283,585	13,498,415
FCIB Bank Loans			
Carrying value	13,144,625	10,630,223	8,707,190
Total loans payable	26,471,981	14,913,808	22,205,605
Less: Current Portion	<u>1,694,108</u>	<u>1,249,500</u>	<u>1,428,566</u>
Non-Current Loans Payable	<u>24,777,873</u>	<u>13,664,308</u>	<u>20,777,039</u>

During the quarter, the group obtained a new loan of US\$5,000,000 from First Caribbean International Bank (FCIB) for the purpose of acquiring an investment property. The loan matures in 15 years and is at a fixed interest rate of 5.98% for the first 2 years and SOFR plus 3.5% thereafter, with a SOFR floor of 3%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Six (6) Months Ended June 30, 2024

8. Segment reporting

The Group has three operating segments. These segments manage investment properties on a geographic portfolio basis. Internal management reports are reviewed every other month by the Board.

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 operates within these industries. Information regarding the reportable segment is included below.

	Unaudited Six (6) months ended June 30, 2024				Total Group US\$
	Jamaica US\$	United States of America US\$	Cayman Islands US\$	Consolidated adjustments and eliminations US\$	
Rental income	1,072,509	-	1,260,072	-	2,332,581
Profit/(loss) for the period	206,254	(6,309)	1,223,068	-	1,423,013

	Unaudited as at June 30, 2024				Total Group US\$
	Jamaica US\$	United States of America US\$	Cayman Islands US\$	Consolidated adjustments and eliminations US\$	
Segment assets	54,128,193	4,896,747	39,589,643	(22,337,289)	76,277,294
Segment liabilities	13,881,226	4,066,535	21,301,616	(11,769,144)	27,480,233

	Unaudited Six (6) months ended June 30, 2023				Total Group US\$
	Jamaica US\$	United States of America US\$	Cayman Islands US\$	Consolidated adjustments and eliminations US\$	
Rental income	982,595	11,465	737,370	-	1,731,430
Profit for the period	612,078	(4,647)	550,297	-	1,157,728

	Unaudited as at June 30, 2023				Total Group US\$
	Jamaica US\$	United States of America US\$	Cayman Islands US\$	Consolidated adjustments and eliminations US\$	
Segment assets	51,664,510	7,074,669	24,726,755	(22,900,935)	60,564,999
Segment liabilities	12,758,908	5,911,831	8,837,686	(12,032,580)	15,475,845

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Six (6) Months Ended June 30, 2024

8. Segment reporting (cont'd):

	Audited Year ended December 31, 2023				
	Jamaica US\$	United States of America US\$	Cayman Islands US\$	Consolidated adjustments and eliminations US\$	Total Group US\$
Rental Revenues	1,986,629	6,964	1,843,497	-	3,837,090
Profit for the year	2,942,540	58,794	1,646,182	-	4,647,516

	Audited as at December 31, 2023				
	Jamaica US\$	United States of America US\$	Cayman Islands US\$	Consolidated adjustments and eliminations US\$	Total Group US\$
Segment assets	49,815,518	4,908,156	37,566,683	(21,333,968)	70,956,389
Segment liabilities	9,274,067	4,071,603	20,501,724	(10,765,398)	23,081,996

SHAREHOLDING REPORTS AS AT JUNE 30, 2024

	PRIMARY ACCOUNT HOLDER	VOLUME	%
01	VM INVESTMENTS LIMITED	203,379,834	23.0068%
02	PRIME ASSET MANAGEMENT JPS EMPLOYEES SUPERANNUATION FUND	138,584,772	15.6770%
03	VMWEALTH PROPERTY FUND	122,401,208	13.8463%
04	NATIONAL INSURANCE FUND	67,142,856	7.5953%
05	PAM - POOLED EQUITY FUND	49,106,872	5.5551%
06	PAM - COURTS (JAMAICA) PENSION PLAN	45,475,068	5.1442%
07	PLATOON LIMITED	36,459,155	4.1243%
08	PAM-POOLED PENSION REAL ESTATE	25,800,681	2.9186%
09	GUARDIAN LIFE SHELTER PLUS FUND	20,680,000	2.3394%
10	THE ATL GROUP PENSION FUND TRUSTEE NOMINEE LTD	18,000,000	2.0362%
Total Issued Capital:		884,000,000	
Total Units Owned By Top 10 Shareholders:		727,030,446	
Total Percentage Owned By Top 10 Shareholders:		82.2433%	

DIRECTORS	SHAREHOLDINGS	CONNECTED SHAREHOLDINGS
Garfield Sinclair	Nil	
- Platoon Limited		36,459,155
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	Nil	
- Annetta Francis		100,000
Tatesha Robinson-Rowe	98,746	
- Fenekie Rowe		73,400
Roxanne Kelly	4,600	Nil
Neichelle Spence Lattibeaudiere	Nil	