



BOARD OF DIRECTORS STATEMENT

The Board of Directors of Kingston Properties Limited is pleased to present the group's consolidated financial statements for the quarter ended March 31, 2010.

The group ended its first quarter 2010 with revenues of \$1,781,414 and net profit of \$3,167,513. Revenues were generated from the Miami Loft II property as of March 5, 2010. In the comparative quarter last year, the Carlton Savannah Hotel, the primary asset of the company remained in construction and so was not revenue generating.

Operating and general expenses were \$3,023,261. Approximately 84% of the change in operating and general expenses year-on-year were as a result of direct property operating expenses, rental of office space and staff costs.

Net finance income was \$4,409,360 compared with \$16,814,362 for the March 31, 2009 quarter. The results for the prior comparative period included \$15,037,654 of unrealized foreign exchange gains on liquid assets of the company that were held in USD at a time when the Jamaican dollar experienced approximately 25% depreciation.

Profit for the period was \$3,167,513 compared with \$16,009,913 for the similar period last year. An unrealized foreign exchange gain of \$15,037,654 was the predominant contributor to profits in the prior comparative period.

On the group's balance sheet, current assets of \$416,778,006 consisted primarily of cash and reverse repurchase agreements of \$374,860,263.

Investment property of \$245,579,946 represents the acquisition of the 19 condo-units in the Miami Loft II building in downtown Miami, Florida, USA. The units were acquired with leases in place.

The group's balance sheet also shows a deposit of \$32,121,058 on investment properties. This represents the deposit on a property at Hagley Park Road in Kingston, Jamaica. This transaction was subsequently completed on April 9, 2010. The tenant is a subsidiary of -a leading global provider of commercial cleaning, sanitation and hygiene solutions for businesses.

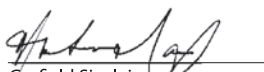
Notes payable of \$151,225,322 represents draw downs under a credit facility held with Pan Caribbean Bank Limited. The notes are secured by Carlton Savannah REIT (St. Lucia) Limited's deposits totaling US\$1,710,869.

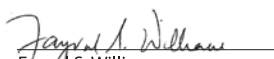
Shareholders' equity at the end of the quarter was \$501,711,132.

Earnings per stock unit ("EPS") were 5 cents versus 23 cents in the comparative period of which 22 cents resulted from unrealized foreign exchange gains.

Kingston Properties continues to execute on its objectives which include identifying properties with growing cash flows in markets that have the potential for capital appreciation. This will allow us to maximize the total return to shareholders.

Once again, we would like to thank our shareholders for their continued support as we maintain our focus on building a diversified portfolio of real estate properties located in Jamaica, the wider Caribbean and other international markets.


Garfield Sinclair
Chairman


Fayvel S. Williams
Executive Director

**KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF FINANCIAL POSITION
(UNAUDITED)**

AS AT MARCH 31, 2010

<u>Note</u>	<u>Unaudited as at March 31, 2010</u>	<u>Unaudited as at March 31, 2009</u>	<u>Audited as at December 31, 2009</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
ASSETS			
Non-current assets			
Investment properties	3 245,580	-	-
Property under construction	-	349,170 *	-
Office equipment	125	-	108
Total non-current assets	<u>245,705</u>	<u>349,170</u>	<u>108</u>
Current assets			
Receivables and prepayments	9,797	93	1,604
Deposit on property	4 32,121	-	26,400
Reverse repurchase agreements	100,875	-	469,216
Cash and cash equivalents	273,984	153,261	35,454
Total current assets	<u>416,777</u>	<u>153,354</u>	<u>532,674</u>
Total assets	<u>662,482</u>	<u>502,524</u>	<u>532,782</u>
EQUITY & LIABILITIES			
Equity			
Share capital	406,609	406,609	406,609
Translation reserve	67,952	66,978 *	67,952
Retained earnings	27,150	27,827 *	23,982
	<u>501,711</u>	<u>501,414</u>	<u>498,543</u>
Non Current liabilities			
Deferred tax liability	4,262	-	4,262
Current Liabilities			
Notes payable	5 151,225	-	26,768
Accounts payable and accrued charges	5,157	1,110	3,082
Income tax payable	127	-	127
	<u>156,509</u>	<u>1,110</u>	<u>29,977</u>
Total equity and liabilities	<u>662,482</u>	<u>502,524</u>	<u>532,782</u>

* - Re-stated

**KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
FOR THREE (3) MONTHS ENDED MARCH 31, 2010**

<u>Note</u>	<u>Unaudited Quarter ended March 31, 2010</u>	<u>Unaudited Quarter ended March 31, 2009</u>	<u>Audited Year ended December 31, 2009</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Revenues:			
Rental income	1,781	-	-
Expenses:			
Operating and general expenses	3,023	804	9,468
Operating result	<u>(1,242)</u>	<u>(804)</u>	<u>(9,468)</u>
Net finance income	6 4,409	16,814 *	35,550
Profit before income tax	<u>3,167</u>	<u>16,010</u>	<u>26,082</u>
Income tax	<u>-</u>	<u>-</u>	<u>(4,389)</u>
Profit for the period/year	<u>3,167</u>	<u>16,010</u>	<u>21,693</u>
Other comprehensive income:			
Exchange differences on translation of foreign operations	-	34,807 *	35,782
Total comprehensive income for the period/year	<u>3,167</u>	<u>50,817</u>	<u>57,475</u>

* - Re-stated

Earnings per share for profit attributable to the equity holders of the

	<u>68,800</u>	<u>68,800</u>	<u>68,800</u>
Number of shares			
Earnings per stock unit	<u>5 cents</u>	<u>23 cents</u>	<u>31 cents</u>

CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) THREE(3) MONTHS ENDED MARCH 31, 2010

**KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
FOR THREE (3) MONTHS ENDED MARCH 31, 2010**

	Share capital \$'000	Cumulative translation adjustments \$'000	Retained earnings \$'000	Total \$'000
Audited balances at December 31, 2008, as restated	406,609	32,171	11,818	450,598
Profit for the period	-	-	16,010	16,010
Other comprehensive income Translation of foreign subsidiary's balances, being total other comprehensive income for the period	-	34,807	-	34,807
Total comprehensive income for the period	-	34,807	16,010	50,817
Unaudited balances at March 31, 2009	<u>406,609</u>	<u>66,978</u>	<u>27,828</u>	<u>501,415</u>
Audited balances at December 31, 2009	<u>406,609</u>	<u>67,952</u>	<u>23,983</u>	<u>498,544</u>
Profit for the period	-	-	3,167	3,167
Unaudited balances at March 31, 2010	<u>406,609</u>	<u>67,952</u>	<u>27,150</u>	<u>501,711</u>

**KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF CASH FLOWS
(UNAUDITED)
FOR THREE (3) MONTHS ENDED MARCH 31, 2010**

	Unaudited Quarter ended March 31, 2010 \$'000	Unaudited Quarter ended March 31, 2009 \$'000	Audited Year ended December 31, 2009 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period/year	3,167	16,010 *	21,693
Adjustments to reconcile for non cash items:			
Translation difference	-	34,807 *	35,781
Income tax	-	-	4,389
Depreciation	7	-	-
Investment interest earned	(3,800)	(1,597)	(20,507)
Unrealized foreign exchange gain	(494)	(15,081)	(15,043)
Operating profit before changes in working capital and provisions	(1,120)	34,139	26,313
Increase/decreases in:			
Other receivables	(8,193)	(14)	(1,476)
Accounts payable and accrued charges	2,075	(727)	1,246
Net cash provided by / (used in) operating activities	(7,238)	33,398	26,083
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of investment properties	(245,580)	-	-
Acquisition of office equipment	(24)	-	(108)
Reverse repurchase agreement	368,341	-	(469,216)
Deposit on property	(5,721)	-	(26,400)
Property under construction	-	(34,807) *	314,363
Interest received	3,800	1,597	20,457
Net cash provided by / (used in) investing activities	120,816	(33,210)	(160,904)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	-	-	(9,528)
Notes payable	124,458	-	26,768
Net cash provided by financing activities	124,458	-	17,240
Net increase in cash and cash equivalents	238,036	188	(117,581)
Effect of exchange rate fluctuation	494	15,081	15,043
	238,530	15,269	(102,538)
Cash and cash equivalents at beginning of period:	35,454	137,992	137,992
Cash and cash equivalents at end of period:	<u>273,984</u>	<u>153,261</u>	<u>35,454</u>

* - Re-stated

**KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2010**

1. IDENTIFICATION

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

The Company has two wholly owned subsidiaries:

- (i) Carlton Savannah REIT (St. Lucia) Limited, incorporated in St. Lucia under the International Business Companies Act of 1999 on May 8, 2008.
- (ii) Kingston Properties Miami LLC, incorporated in Florida under the Florida Limited Liability Company Act on March 12, 2010.

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

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

The group financial statements for the period ended March 31, 2010 do not reflect any activity for Kingston Properties Miami LLC, incorporated on March 12, 2010. The entity had not commenced trading activity at March 31, 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

(b) Use of estimates

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

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

(c) Consolidation:

(i) Subsidiaries

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

(ii) Transactions eliminated on consolidation

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

(d) Related party identification

A party is related to the Company if:

- (i) directly or indirectly the party:
 - controls, is controlled by, or is under common control with the Company;
 - has an interest in the Company that gives it significant influence over the Company; or
 - has joint control over the Company.
- (ii) the party is an associate of the Company
- (iii) the party is in a joint venture in which the Company is a venturer;
- (iv) the party is a member of the key management personnel of the Company
- (v) the party is a close member of the family of an individual referred to in (i) or (iv) above



- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v) above.
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any Company that is a related party of the Company.

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

(e) Foreign currencies

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

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

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

(f) Investment properties

Investment properties are held for long-term rental yields.

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

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

(g) Furniture and equipment

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

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

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

Furniture and equipment are depreciated on the straight line basis over the estimated useful lives of such assets.

The rates of depreciation in use are:

Computer and equipment	20%
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(h) Cash and Cash equivalents

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

(i) Taxation

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

(i) Current income tax

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

(ii) Deferred income tax

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

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

3. INVESTMENT PROPERTIES

	Unaudited Quarter ended <u>March 31,</u> <u>2010</u>	Unaudited Quarter ended <u>March 31,</u> <u>2009</u>	Audited Year ended <u>December 31,</u> <u>2009</u>
	\$'000	\$'000	\$'000
Investment properties at fair value	<u>245,580</u>	-	-

On March 5, 2010 Kingston Properties Limited acquired 19 condominium units in the Loft II building in downtown Miami. The group earned rental income from the units during the current quarter.

4. DEPOSIT ON PROPERTY

The Company has paid a deposit of \$32,121,088 (US\$364,160) on a property it intends to purchase. As a result of the agreement, at balance sheet date, the group was committed to further expenditure of \$151,226,390 (\$US1,700,000).

5. NOTES PAYABLE

	Unaudited Quarter ended <u>March 31,</u> <u>2010</u>	Unaudited Quarter ended <u>March 31,</u> <u>2009</u>	Audited Year ended <u>December 31,</u> <u>2009</u>
	\$'000	\$'000	\$'000
Pan Caribbean Bank	<u>151,225</u>	-	-

This represents draw-downs under credit facilities of US\$1,699,988, evidenced by two (2) promissory notes with Pan Caribbean Bank Limited. The loans are secured against Carlton Savannah REIT (St. Lucia) Limited deposits totalling US\$1,710,868.57 and are repayable December 31, 2010. Interest is payable at a rates of 7.5% and 9% per annum.

6. NET FINANCE INCOME

	Unaudited Quarter ended <u>March 31,</u> <u>2010</u>	Unaudited Quarter ended <u>March 31,</u> <u>2009</u>	Audited Year ended <u>December 31,</u> <u>2009</u>
	\$'000	\$'000	\$'000
Interest Income - Escrow	-	(1,540)	(4,017)
Interest Income - Accrued	(1,736)	(57)	(151)
Interest Income - bank deposits	(1,238)	-	(1,925)
Interest Income - CS REIT St. Lucia	(2,529)	-	(14,414)
Loan interest	1,393	-	-
Realized loss / (gains) on conversion of foreign exchange	185	(180)	-
Unrealized gains on conversion of foreign exchange	(484)	(15,037)	*
	<u>(4,409)</u>	<u>(16,814)</u>	<u>(35,550)</u>

*Restated

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Investor Briefing

13th May, 2010