



Kingston Properties Limited

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May 13, 2013

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS QUARTER ENDED MARCH 31, 2013

The Board of Directors presents, for the shareholders and the investing public at large, the unaudited consolidated financial statements for the quarter ended March 31, 2013.

Income Statement

For the three months ended March 31, 2013, group rental income was \$21.9 million, a 13% improvement versus the March 2012 quarter. This reflects primarily rental increase for existing tenants and a stronger rental market for new tenants especially at the Loft II in Miami, Florida.

Group comprehensive income consisting of foreign currency translation differences for foreign operations was positive \$22.5 million for the quarter ended March 2013 versus \$3.8 million for the quarter ended March 2012, reflecting the positive impact on the group's non-financial assets from the approximately 6.4% devaluation of the Jamaican dollar against its US counterpart during the quarter under review. Total group comprehensive income was \$15.2 million, an increase of 144.8% versus the \$6.2 million reported for the quarter ended March 31, 2012.

Group operating expenses, which consist of direct property expenses and administrative costs, were \$14.8 million, versus \$10.3 million for the similar period a year ago. Direct property expenses include insurance, property taxes, homeowners' association (HOA) fees, broker fees and repairs & maintenance. These represented 60.4% of operating expenses for the March 2013 quarter versus 58.4% for the similar period last year. Increase in direct property expenses accounted for approximately \$2.9 million of the \$4.5 million increase in overall operating expenses. The major contributors were repairs & maintenance, HOA fees and property taxes.

Group finance costs were \$19.6 million for the quarter ended March 31, 2013 compared with \$7.4 million for the similar period in 2012. These amounts include unrealized losses of \$14.3 million and \$2.5 million respectively, due to foreign currency translation losses resulting from the devaluation of the Jamaican dollar mentioned above.

Balance Sheet

Our significant balance sheet assets are Investment Properties of \$850.0 million at March 31, 2013 versus \$641.4 million at March 31, 2012 and cash & cash equivalent of \$195.0 million compared with \$185.3 million for the similar period last year. The primary drivers of the increase in

Kingston Properties Limited

investment properties were fair value gains of \$166.3 million on the Red Hills Road property and positive currency impact of \$30.3 million on the Miami residential condominiums.

Included in cash and cash equivalent is restricted amounts of \$168.1 million.

Total group liabilities were \$350.3 million at March 31, 2013 versus \$331.5 million at March 31, 2012. These amounts include current and non-current loans payable at the end of the quarter of \$325.1 million and \$305.2 respectively. The liabilities were primarily mortgage loans collateralized by the properties. The increase in the loans payable resulted from adverse impact of JAD devaluation versus the United States dollar as the loans are USD liabilities and were US\$3.4 million at end of March 2013 versus US\$3.6 million at end of March 2012.

Cashflow

Net cash provided by operations was \$23.9 million for the quarter ended March 31, 2013 versus \$22.7 million for the similar period last year.

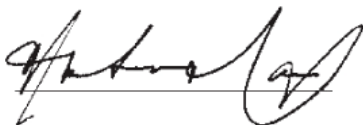
Dividends Paid

Dividends paid in the March 2013 quarter were \$9.9 million, a 63.1% increase over the \$6.1 million paid in the March 2012 quarter. Dividends declared in the March 2013 quarter were US\$0.0015 per stock unit versus US\$0.001 per stock unit in the quarter ended March 31, 2012.

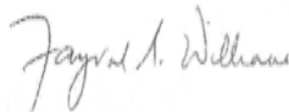
Summary

For the quarter, the operations and property management results were as planned. Turnover of tenants remained low, rent collection met targets and our tenants ranked us highly for our prompt response to facilities issues they encountered. Against this background, we will continue to ensure high levels of tenant relations while seeking additional investment properties with strong underlying and diversified tenant base.

As always, thanks to our shareholders, employees and other stakeholders for your continued support as we seek to meet or exceed our corporate objectives.



Garfield Sinclair
Chairman



Fayval Williams
Executive Director

KINGSTON PROPERTIES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

KINGSTON PROPERTIES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

TABLE OF CONTENTS

CONTENTS	PAGE (S)
GROUP STATEMENT OF COMPREHENSIVE INCOME	1
GROUP STATEMENT OF FINANCIAL POSITION	2
GROUP STATEMENT OF CHANGES IN EQUITY	3
GROUP STATEMENT OF CASH FLOWS	4
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	5 - 14

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

	<u>Notes</u>	Unaudited Three (3) months ended March 31, 2013 \$'000	Unaudited Three (3) months ended March 31, 2012 \$'000	Audited Year ended December 31, 2012 \$'000
Revenues:				
Rental income		21,864	19,126 *	78,030
Operating expenses		<u>(14,802)</u>	<u>(10,283) *</u>	<u>(46,003)</u>
Results of operating activities before other income/gains		7,062	8,843 *	32,027
Other income/gains:				
Fair value gain on investment property		-	-	182,659
Miscellaneous income		<u>72</u>	<u>-</u>	<u>254</u>
		<u>72</u>	<u>-</u>	<u>182,913</u>
Results of operating activities		<u>7,134</u>	<u>8,843</u>	<u>214,940</u>
Finance income		1,625	1,719	6,218
Finance cost		<u>(19,562)</u>	<u>(7,393)</u>	<u>(43,520)</u>
Finance costs	3	<u>(17,937)</u>	<u>(5,674)</u>	<u>(37,302)</u>
(Loss) / profit before income tax		(10,803)	3,169 *	177,638
Taxation credit / (charge)		<u>3,561</u>	<u>(721) *</u>	<u>1,209</u>
(Loss) / profit, being comprehensive (expense) / income for the period / year		<u>(7,242)</u>	<u>2,448 *</u>	<u>178,847</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations being total comprehensive income		<u>22,486</u>	<u>3,779</u>	<u>28,078</u>
Total comprehensive income for the period / year		<u>15,244</u>	<u>6,227 *</u>	<u>206,925</u>
Earnings per share for profit attributable to the equity holders of the Company:				
Number of shares		68,800	68,800	68,800
Earnings per stock unit:		<u>(11) cents</u>	<u>4 cents *</u>	<u>260 cents</u>

*Restated

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT MARCH 31, 2013

	<u>Notes</u>	Unaudited as at March 31, 2013 \$'000	Unaudited as at March 31, 2012 \$'000	Audited as at December 31, 2012 \$'000
NON-CURRENT ASSETS				
Investment properties	4	850,038	641,353	834,085
Furniture, software and equipment		1,802	612	1,804
Deferred tax asset		10,711	5,176	7,137
		<u>862,551</u>	<u>647,141</u>	<u>843,026</u>
CURRENT ASSETS				
Receivables and prepayments	5	11,649	13,451	13,709
Reverse repurchase agreements		5,485	3,923	2,886
Cash and cash equivalents		194,985	185,300	186,533
		<u>212,119</u>	<u>202,674</u>	<u>203,128</u>
Total current assets		<u>212,119</u>	<u>202,674</u>	<u>203,128</u>
Total assets		<u>1,074,670</u>	<u>849,815</u>	<u>1,046,154</u>
EQUITY				
Share capital		406,609	406,609	406,609
Cumulative translation reserve		104,365	57,580	81,879
Retained earnings		213,444	54,109	230,613
		<u>724,418</u>	<u>518,298</u>	<u>719,101</u>
Total equity		<u>724,418</u>	<u>518,298</u>	<u>719,101</u>
NON-CURRENT LIABILITIES				
Loans payable	6	139,076	127,042	136,841
CURRENT LIABILITIES				
Loans payable	6	186,002	178,189	172,029
Accounts payable and accrued charges	7	25,117	26,262	18,142
Income tax payable		57	24	41
		<u>211,176</u>	<u>204,475</u>	<u>190,212</u>
Total current liabilities		<u>211,176</u>	<u>204,475</u>	<u>190,212</u>
Total equity and liabilities		<u>1,074,670</u>	<u>849,815</u>	<u>1,046,154</u>

*Restated

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

	Share capital \$'000	Cumulative translation reserve \$'000	Retained earnings \$,000	Total \$,000
Audited balances at December 31, 2011 as previously reported	406,609	53,801	57,746	518,156
Profit, being comprehensive income for the period	-	-	2,448 *	2,448
Translation of foreign subsidiaries' balances, being being total other comprehensive income for the period	-	3,779	-	3,779
Contributions by and distributions to owners:				
Dividend declared , being total distributions to owners	-	-	(6,085)	(6,085)
Unaudited, balances at March 31, 2012	406,609	57,580	54,109	518,298
Audited balances at December 31, 2012	406,609	81,879	230,613	719,101
Loss, being comprehensive expense for the period	-	-	(7,242)	(7,242)
Translation of foreign subsidiary's' balances, being being total other comprehensive income for the period	-	22,486	-	22,486
Contributions by and distributions to owners:				
Dividend declared , being total distributions to owners	-	-	(9,927)	(9,927)
Unaudited, balances at March 31, 2013	406,609	104,365	213,444	724,418

*Restated

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF CASH FLOWS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2013

	Unaudited Quarter ended March 31, 2013 <u>\$'000</u>	Unaudited Quarter ended March 31, 2012 <u>\$'000</u>	Audited Year ended December 31, 2012 <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit for the period / year	(7,242)	2,448	* 178,847
Adjustments to reconcile profit for the period / year to net cash provided by / (used in) operating activities:			
Translation difference	22,486	3,779	28,078
Taxation	(3,561)	721	* (1,209)
Depreciation	86	45	234
Interest income	(1,625)	(1,719)	(6,217)
Interest expense	5,021	4,954	19,400
Increase in investment property due to foreign currency translation	(15,952)	(2,194)	(16,584)
Decrease in office equipment due to foreign currency translation	(1)	(1)	9
Increase in fair value of investment property	-	-	(182,659)
Unrealized foreign exchange loss	14,259	2,458	18,239
Operating profit before changes in working capital	13,471	10,491	38,138
Changes in:			
Deposit on investment property	-	-	-
Other receivables	3,488	3,376	6,824
Accounts payable and accrued charges	6,975	8,839	* 1,035
Income tax paid	-	-	(31)
Net cash provided by / (used in) operations	<u>23,934</u>	<u>22,706</u>	<u>45,966</u>
Cash flows from investing activities			
Interest received	197	321	1,115
Reverse repurchase agreements	(2,599)	(753)	283
Additions to office equipment	(79)	(181)	4,318
Additions to investment property	-	-	(1,555)
Net cash (used in) / provided by investing activities	<u>(2,481)</u>	<u>(613)</u>	<u>4,161</u>
Cash flows from financing activities			
Interest paid	(5,021)	(4,954)	(19,717)
Dividend paid	(9,927)	(6,085)	(5,981)
Change in loans payable	16,206	(2,487)	1,152
Net cash provided by / (used in) financing activities	<u>1,258</u>	<u>(13,526)</u>	<u>(24,546)</u>
Net increase in cash and cash equivalents	22,711	8,567	25,581
Cash and cash equivalents at beginning of period:	186,533	179,191	179,191
Effect of exchange rate fluctuations on cash and cash equivalents	(14,259)	(2,458)	(18,239)
Cash and cash equivalents at end of period / year	<u>194,985</u>	<u>185,300</u>	<u>186,533</u>

*Restated

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2013

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 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; and its wholly owned subsidiary:
- (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 "Group". In these financial statements 'parent' refers to the Company and intermediate parent refer to its wholly owned subsidiary, Carlton Savannah REIT (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.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The interim 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).

The interim financial report is to be read in conjunction with the audited financial statements for the year ended December 31, 2012. These 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, 2012.

The significant accounting policies adopted are consistent with those of the audited financial statement for the year ended December 31, 2012.

(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
THREE (3) MONTHS ENDED MARCH 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 control commences until the date the control ceases.

(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 parties

A party is a person or entity that is related to the Company, also referred to as reporting entity.

- (1) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (2) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (vi) The entity is controlled, or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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, is recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items, is included in the statement of comprehensive income for the period.

(f) Investment properties

Investment properties, comprising, offices, warehouse building and residential apartments, are held for long-term rental yields and capital gain.

Investment properties are initially recognized at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the cost of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are carried at fair value.

Fair value is determined every three years by an independent registered valuer, and in each of the two intervening years by the directors. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognized in profit or loss.

(g) Furniture, software and equipment

- (i) Items of office equipment are stated at cost less accumulated depreciation and, if any, impairment losses.

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

The costs of day-to-day servicing of office equipment are recognized in the statement of comprehensive income as incurred.

- (ii) Depreciation is recognized in the statement of comprehensive income on the straight-line basis, over the estimated useful life of the asset. The depreciation rate for the furniture, software equipment are as follows:

Software	33 $\frac{1}{3}$ %
Computer and accessories	20%
Furniture and fixtures	10%

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Receivables

Receivables are stated at amortized cost less, if any, impairment losses.

(i) Reverse repurchase agreements

Reverse repurchase agreements are transactions in which the Group makes funds available to institutions by entering into short-term agreements with those institutions. On delivering the funds, the Company receives the securities, or other documents evidencing a claim on the securities, and agrees to resell the securities, or surrender the documents evidencing the claim, on a specified date and at a specified price. Reverse repurchase agreements are accounted for as short-term collateralized lending. The difference between sale and purchase consideration is recognized as interest income on the accrual basis over the term of the agreement.

(j) Cash and cash equivalents

Cash and cash equivalent are carried 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.

(k) Accounts payable and accrued charges

Accounts payable and accrued charges are stated at cost.

(l) Revenue recognition:

Rental income and maintenance income are recorded in these financial statements on the accrual basis using the straight line method.

(m) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

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

Deferred 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. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognized only to the extent management can demonstrate that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current and deferred tax assets and liabilities are offset in the statement of financial position if they apply to the same tax authority.

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Segment reporting

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 expenses that relate to transactions with any of the Group's other components. All operating segments for which discrete information is available are reviewed regularly by the Group's Board of Directors to make decisions about resources to be allocated to the segment and to assess their performance.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2013

3. Finance costs

	Unaudited Quarter ended March 31, 2013 \$'000	Unaudited Quarter ended March 31, 2012 \$'000	Audited Year end December 31, 2012 \$'000
Finance income			
Interest income	<u>1,625</u>	<u>1,719</u>	6,218
Finance costs:			
Interest expense	(4,546)	(4,954)	(19,400)
Commitment fees-bank loan	(476)	-	(2,908)
Foreign exchange gains and losses arising from investing and financing activities:			
Unrealized (losses)/gains on translation of foreign currency balances	(14,259)	(2,458)	(18,239)
Realized gain / (loss) on conversion of foreign exchange	<u>(281)</u>	<u>19</u>	<u>(2,973)</u>
Total finance cost	<u>(19,562)</u>	<u>(7,393)</u>	(43,520)
Net finance cost	<u>(17,937)</u>	<u>(5,674)</u>	<u>(37,302)</u>

4. Investment properties

Investment properties held by the group are as follows:

	Unaudited Quarter ended March 31, 2013 \$'000	Unaudited Quarter ended March 31, 2012 \$'000	Audited Year ended December 31, 2012 \$'000
(i) Hagley Park Road warehouse	200,000	188,000	200,000
(ii) Miami residential condominium	270,038	239,695	254,085
(iii) Red Hills Road commercial complex	<u>380,000</u>	<u>213,658</u>	<u>380,000</u>
	<u>850,038</u>	<u>641,353</u>	<u>834,085</u>

- (i) This represents 26,000 square feet of commercial property located on Hagley Park Road, Kingston, Jamaica.
- (ii) This represents 16,092 square feet of residential condominium space (19 units) in the Loft II building located at 133 NE 2nd Avenue in downtown Miami, Florida.
- (iii) This represents 47,865 square feet of commercial property located on Red Hills Road, Kingston, Jamaica.

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2013

5. Receivables and prepayments

	Unaudited March 31, 2013	Unaudited March 31, 2012	Audited December 31, 2012
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Rent receivables	89	1,334	57
Withholding tax recoverable	3,795	3,706	3,790
Security deposits	2,306	3,033	2,245
Prepayments	3,956	3,973	1,246
Other receivables	1,503	1,405	6,371
	<u>11,649</u>	<u>13,451</u>	<u>13,709</u>

6. Loans payable

	Unaudited March 31, 2013	Unaudited March 31, 2012	Audited December 31, 2012
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Bank loan - First Global Bank [see (i)]			
Face amount	-	93,909	354
Un-amortized transaction costs	-	(2,239)	-
Carrying value	-	91,670	354
Bank loan - Sagicor Bank Jamaica Limited [see (i)]	168,107	148,410	158,062
Vendor's mortgage [see (ii)]	59,955	65,151	59,700
Total bank loans and vendor's mortgage	<u>228,062</u>	<u>213,561</u>	<u>218,116</u>
Other mortgage loan - Best Meridian Insurance Company [see (ii)]			
Face amount	105,611	-	99,300
Un-amortized transaction costs	(8,595)	-	(8,546)
	<u>97,016</u>	-	<u>90,754</u>
Total loans payable	<u>325,078</u>	<u>305,231</u>	<u>308,870</u>
Classified as follows:			
Non-current			
Bank loans [see (i)]	-	77,688	-
Vendor's mortgage [see (ii)]	42,061	49,354	46,086
Other mortgage loan [see (iii)]	97,015	-	90,755
	<u>139,076</u>	<u>127,042</u>	<u>136,841</u>
Current			
Bank loan (i)	168,107	162,391	158,415
Vendor's mortgage (ii)	17,895	15,798	13,614
	<u>186,002</u>	<u>178,189</u>	<u>172,029</u>
Total loans payable	<u>325,078</u>	<u>305,231</u>	<u>308,870</u>

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2013

6. Loans payable (Cont'd):**(i) Bank loans**

First Global Bank Limited

During the year ended December 31, 2012, the company made loan principal repayments totaling US\$1,096,197. The principal balance of US\$3,803 outstanding at December 31, 2012 was repaid in January 2013.

Sagicor Bank Jamaica Limited (formerly Pan Caribbean Bank Limited)

This represents a draw-down under a credit facility of US\$1,699,988, J\$168,107 [2012: (US\$1,699,988(J\$148,410); (US\$1,699,988 J\$158,062)], evidenced by a promissory note. The loan currently attracts interest at a rate of 4.8% per annum. The loan was renewed at maturity on December 23, 2012, and is now repayable December 2013.

It is secured by hypothecation of a deposit of US\$1,699,988 (2010: US\$1,699,988) held by a subsidiary with the bank.

(ii) Vendor's mortgage

This represents balance owing under a mortgage of US\$780,000 from the vendor of the Red Hills Road property. It bears interest rate of 6% per annum and is repayable in sixty (60) monthly installments, which commenced on January 1, 2012. The balance at March 31, 2013 is US\$606,301 J\$59,955; [2012: (US\$ 746,292 J\$65,151); (US\$642,088 J\$59,700)].

(iii) Other mortgage loan - Best Meridian Insurance Company

This represents a promissory note of US\$1,068,000 (2012: US\$1,068,000) payable by Kingston Properties Miami LLC to Best Meridian Insurance Company, a Florida corporation. The note attracts interest rate of 6.5% per annum, with monthly interest payments \$5,785, which commenced on October 1, 2012. These monthly payments continue on the first day of each month thereafter until September 01, 2017, at which time the remaining unpaid principal balance and accrued interest will become due and payable. The note is secured by a mortgage over the condominiums, known as Loft II, located in Miami-Dade County, Florida, owned by the Group. The balance at March 31, 2013 is US\$1,068,000 J\$105,611); [(2012: US \$NIL, J\$NIL); (US\$1,068,000 J\$99,300)].

Transaction costs of approximately US\$99,000 were incurred in obtaining the loan. These costs were deducted from the loan balance and are being amortized over the life of the loan. The balance at March 31, 2013 is (US\$87,769 J\$8,595); [2012: (US\$ NIL, J\$NIL); (US\$92,737 J\$8,546)].

7. Accounts payable and accrued charges

	Unaudited March 31, 2013 \$'000	Unaudited March 31, 2012 \$'000	Audited December 31, 2012 \$,000
Accounts payable	4,225	685	1,501
Short-term loans	-	15	15
Dividend payable	484	6,268	222
Other payables and accrued charges	9,967	9,915 *	6,894
Security deposits held	10,441	9,379	9,510
	<u>25,117</u>	<u>26,262</u>	<u>18,142</u>

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2013

8. Segment reporting

The Group has one operating segment, 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 report is used to measure performance as management believe that such information is the most relevant in evaluating the results of the segment compared to other entities that operated within these industries.

(a) Geographical information

	Unaudited				
	Three (3) months ended March 31, 2013				
	Jamaica	United States of America	St. Lucia	Consolidated adjustments and eliminations	Total Group
	<u>\$,000</u>	<u>\$,000</u>	<u>\$,000</u>	<u>\$,000</u>	<u>\$,000</u>
Revenues	<u>14,229</u>	<u>7,635</u>	<u>-</u>	<u>-</u>	<u>21,864</u>
Profit for the period	<u>(11,483)</u>	<u>2,968</u>	<u>1,273</u>	<u>-</u>	<u>(7,242)</u>

	Unaudited				
	as at March 31, 2013				
	Jamaica	United States of America	St. Lucia	Consolidated adjustments and eliminations	Total Group
	<u>\$,000</u>	<u>\$,000</u>	<u>\$,000</u>	<u>\$,000</u>	<u>\$,000</u>
Segment assets	<u>919,410</u>	<u>397,177</u>	<u>398,058</u>	<u>(639,975)</u>	<u>1,074,670</u>
Segment Liabilities	<u>363,316</u>	<u>339,680</u>	<u>5,074</u>	<u>(357,818)</u>	<u>350,252</u>

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
THREE (3) MONTHS ENDED MARCH 31, 2013

8. Segment reporting (Cont'd):

	Unaudited Three (3) months ended March 31, 2012				
	Jamaica \$'000	United States of America \$'000	St. Lucia \$'000	Consolidated adjustments and eliminations \$'000	Total Group \$'000
Revenues	12,774	6,352	-	-	19,126
(Loss) / profit for the period	(1,012)	2,034	1,426	-	2,448,
	Unaudited as at March 31, 2012				
	Jamaica \$'000	United States of America \$'000	St. Lucia \$'000	Consolidated adjustments and eliminations \$'000	Total Group \$'000
Segment assets	741,886	261,941	371,487	(525,499)	849,815
Segment liabilities	330,655	240,752	3,452	(243,342)	331,517
	Audited Year ended December 31, 2012				
	Jamaica \$'000	United States of America \$'000	St. Lucia \$'000	Consolidated adjustments and eliminations \$'000	Total Group \$'000
Revenues	50,960	27,070	-	-	78,030
Profit for the year	165,158	9,071	4,618	-	178,847
	Audited as at December 31, 2012				
	Jamaica \$'000	United States of America \$'000	St. Lucia \$'000	Consolidated adjustments and eliminations \$'000	Total Group \$'000
Segment assets	912,724	374,251	385,361	(626,183)	1,046,154
Segment liabilities	335,220	331,369	4,491	(344,027)	327,053