THE REIT

Kingston Properties Limited

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Kingston 6, Jamaica
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November 13, 2013

Group Statement of Comprehensive Income (Unaudited)
Nine Months Ended September 30, 2013

The Board of Directors of Kingston Properties Limited ("KPREIT") presents, to the Jamaica Stock Exchange, its shareholders and investors at large, the Group's Statement of Comprehensive Income for nine months ended September 30, 2013.

Nine Months Ended September 30, 2013

Rental Income

For the nine months ended September 30, 2013, rental income increased from $59 million to $66.6 million, a movement of 12.9% over the similar period last year. This performance is primarily due to monthly rental increases.

Comprehensive Income

Total comprehensive income for the period, which includes foreign currency translation difference for foreign operations, was $37.7 million compared with $26.0 million for the comparable period last year. This reflects the positive impact on the group's non-financial assets from the approximately 15.1% devaluation of the Jamaican dollar versus the US dollar at the end of September 30, 2013 versus September 30, 2012.

Operating Expenses

Group operating expenses, which consists of direct property expenses and administrative costs increased from $31.3 million to $39.5million.

Direct property expenses are insurance, property taxes, homeowners' association fees, broker fees for rental of the residential condo units and repairs & maintenance. This accounted for 55.6% and 58.3% of total group operating expenses for the periods ended September 30, 2012 and September 30, 2013 respectively. The increase was as a result of additional costs associated with property taxes, homeowners' association fees and repairs & maintenance.

Administrative expenses increased from $13.9 million to $16.5 million for the nine months ended September 30 2013. This additional cost arose from increased audit & accounting expenses and professional fees.

Results of Operating Activities
Overall results of operating activities, before other income and gains, were $27.1 million for the nine months ended September 30, 2013 compared with $27.7 million for the similar period in 2012.

Finance Costs

Net finance cost for the nine months ended September 30, 2013 was $36.7 million compared with $21.6 million for the similar period in 2012. Of these amounts, unrealized losses on translation of foreign currency balances were $26.2 million and $11.8 million for the respective periods. These unrealized foreign exchange losses are a result of Kingston Properties holding its financial liabilities or loans in US dollars.

Utilizing US dollar financing continues to be a deliberate strategy for Kingston Properties as these liabilities are linked to assets that generate US dollar rental income. Additionally, Kingston Properties maintains investment assets in the United States. These are mitigating factors, which reflect positively in the company's Total Comprehensive Income for the period.

Balance Sheet

Our **investment properties** increased from $653.2 million at the end of September 30, 2012 to $863.7 million at the end of September 30, 2013, primarily due to fair value gains on the Red Hills Road property.

Cash and cash equivalents plus reverse repurchase agreements were $219.1 million versus $273.6 million at the end of the similar nine months period a year ago. A loan pay-off was the primary reason for the reduction in cash and cash equivalent.

Total group liabilities at September 30, 2013 were $379.9 million versus $410.1 million at the end of the similar period a year ago. The liabilities are primarily mortgage loans collateralized by the properties.

Total equity increased to $746.8 million at the end of the nine months ended September 30, 2013 from $538.2 primarily due to retained earnings, which included fair value gain on investment properties and cumulative translation reserve.

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Cashflow

Net cash provided by operations for the nine months ended September 30, 2013 was $51 million, an increase of $11.6 million relative to the cashflow for the similar period ended September 30, 2012. This reflects strong occupancy and increased rents.

Summary

For the nine months, the operations of the company and property management of the investment properties remained strong. Our tenant base is stable and rent collection continues on track. Occupancy in our residential condo units in Miami continues to hold at high levels year round. Property values also continue to show strong performance.

In Jamaica, despite the economic malaise, our building occupancy remains high and rental collections continue to meet expectations.

Once again, we say thanks to our shareholders, employees and other stakeholders for your commitment to the continued success of the company.

Respectfully,

Garfield Sinclair
Chairman of the Board

Fayval Williams
Executive Director

KINGSTON PROPERTIES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NINE (9) MONTHS ENDED SEPTEMBER 30, 2013

KINGSTON PROPERTIES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2013

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KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2013

	Notes	**Unaudited Quarter ended September 30, 2013 $'000**	Unaudited Quarter ended September 30, 2012 $'000		**Unaudited Nine (9) months ended September 30, 2013 $'000**	Unaudited Nine (9) months ended September 30, 2012 $'000		Audited Year ended December 31, 2012 $'000
Revenues:								
Rental income		**22,848**	20,216	*	**66,629**	58,988	*	78,030
Operating expenses		**(12,493)**	(10,249)	*	**(39,497)**	(31,283)	*	(46,003)
Results of operating activities before other income/gains		**10,355**	9,967		**27,132**	27,705		32,027
Other income/gains:								
Fair value gain on investment property		**-**	-		**-**	4,761		182,659
Miscellaneous income		**114**	-		**630**	-		254
		114	-		**630**	4,761		182,913
Results of operating activities		**10,469**	9,967		**27,762**	32,466		214,940
Finance income		**1,770**	1,446		**5,074**	4,486		6,218
Finance cost		**(10,651)**	(9,139)		**(41,799)**	(26,125)		(43,520)
Net finance costs	**3**	**(8,881)**	(7,693)		**(36,725)**	(21,639)		(37, 302)
Profit / (loss) before income tax		**1,588**	2,274		**(8,963)**	10,827		177,638
Taxation credit / (charge)		**390**	1,335	*	**4,254**	(517)	*	1,209
Profit / (loss), being comprehensive income / (expense) for the period / year		**1,978**	3,609	*	**(4,709)**	10,310	*	178,847
Other comprehensive income								
Foreign currency translation differences for foreign operations being total comprehensive income		**9,360**	5,849		**42,380**	15,692		28,078
Total comprehensive income for the period / year		**11,338**	9,458	*	**37,671**	26,002	*	206,925
Earnings per share for profit attributable to the equity holders of the Company:								
Number of shares		**68,800**	68,800		**68,800**	68,800		68,800
Earnings per stock unit:		**3 cents**	5 cents	*	**(7) cents**	15 cents	*	260 cents

*Restated

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT SEPTEMBER 30, 2013

	Notes	**Unaudited as at September 30, 2013**	Unaudited as at September 30, 2012		Audited as at December 31, 2012
		$'000	$'000		$'000
NON-CURRENT ASSETS					
Investment properties	4	**863,656**	653,219		834,085
Furniture, software and equipment		**2,916**	1,273		1,804
Deferred tax asset		**11,435**	5,402	*	7,137
Total non-current assets		**878,007**	659,894		843,026
CURRENT ASSETS					
Land for development	5	**17,903**	-		-
Receivables and prepayments	6	**11,798**	14,777	*	13,709
Reverse repurchase agreements		**8,422**	90,134		2,886
Cash and cash equivalents		**210,637**	183,509		186,533
Total current assets		**248,760**	288,420		203,128
Total assets		**1,126,767**	948,314		1,046,154
EQUITY					
Share capital		**406,609**	406,609		406,609
Cumulative translation reserve		**124,259**	69,493		81,879
Retained earnings		**215,977**	62,075	*	230,613
Total equity		**746,845**	538,177		719,101
NON-CURRENT LIABILITIES					
Loans payable	7	**139,113**	219,164		136,841
CURRENT LIABILITIES					
Loans payable	7	**215,006**	173,055		172,029
Accounts payable and accrued charges	8	**25,719**	17,886		18,142
Income tax payable		**84**	32		41
Total current liabilities		**240,809**	190,973		190,212
Total equity and liabilities		**1,126,767**	948,314		1,046,154

*Restated

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 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	-	-	10,310	*	10,310
Translation of foreign subsidiaries' balances, being total other comprehensive income for the period	-	15,692	-		15,692
Contributions by and distributions to owners:					
Dividend declared , being total distributions to owners	-	-	(5,981)		(5,981)
Unaudited, balances at September 30, 2012	**406,609**	**69,493**	**62,075**	*	**538,177**
Audited, balances at December 31, 2012	**406,609**	**81,879**	**230,613**		**719,101**
Loss, being comprehensive expense for the period	-	-	(4,709)		(4,709)
Translation of foreign subsidiaries' balances, being total other comprehensive income for the period	-	42,380	-		42,380
Contributions by and distributions to owners:					
Dividend declared , being total distributions to owners	-	-	(9,927)		(9,927)
Unaudited, balances at September 30, 2013	**406,609**	**124,259**	**215,977**		**746,845**

*Restated

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF CASH FLOWS
UNAUDITED
NINE (9) MONTHS ENDED SEPTEMBER 30, 2013

	Unaudited Nine (9) months ended September 30, 2013 $'000	Unaudited Nine (9) months ended September 30, 2012 $'000		Audited Year ended December 31, 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss) / profit for the period / year	**(4,709)**	10,310	*	178,847
Adjustments to reconcile profit for the period / year to net cash provided by / (used in) operating activities:				
Translation difference	**42,381**	15,692		28,078
Taxation-net	**(4,254)**	517	*	(1,209)
Depreciation	**285**	154		234
Interest income	**(5,074)**	(4,486)		(6,217)
Interest expense	**14,617**	14,361		19,400
Increase in investment property due to foreign currency translation	**(29,571)**	(9,298)		(16,584)
Decrease in office equipment due to foreign currency translation	**2**	3		9
Increase in fair value of investment property	**-**	(4,761)		(182,659)
Unrealized foreign exchange loss	**26,203**	11,790		18,239
Operating profit before changes in working capital	**39,880**	34,282		38,138
Changes in:				
Other receivables	**3,527**	4,625	*	6,824
Accounts payable and accrued charges	**7,576**	463		1,035
Income tax paid	**(7)**	(15)		(31)
Net cash provided by operations	**50,976**	39,355		45,966
Cash flows from investing activities				
Interest received	**3,457**	514		1,115
Reverse repurchase agreements	**(5,536)**	(86,965)		283
Additions to office equipment	**(1,392)**	(954)		4,318
Land for development	**(17,903)**	-		-
Additions to investment property	**-**	-		(1,555)
Net cash (used in) / provided by investing activities	**(21,374)**	(87,405)		4,161
Cash flows from financing activities				
Interest paid	**(14,617)**	(14,362)		(19,717)
Dividend paid	**(9,927)**	(5,981)		(5,981)
Loan received	**20,719**	87,156		-
Change in loans payable	**24,530**	(2,655)		1,152
Net cash provided by / (used in) financing activities	**20,705**	64,158		(24,546)
Net increase in cash and cash equivalents	**50,307**	16,108		25,581
Cash and cash equivalents at beginning of period:	**186,532**	179,191		179,191
Effect of exchange rate fluctuations on cash and cash equivalents	**(26,202)**	(11,790)		(18,239)
Cash and cash equivalents at end of period / year	**210,637**	183,509		186,533

*Restated

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
NINE (9) MONTHS ENDED SEPTEMBER 30, 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 for 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.

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 consolidated 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
NINE (9) MONTHS ENDED SEPTEMBER 30, 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, are 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	33⅓%
Computer and accessories	20%
Furniture and fixtures	10%

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
NINE (9) MONTHS ENDED SEPTEMBER 30, 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
NINE (9) MONTHS ENDED SEPTEMBER 30, 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.

(o) Land for development

Land for development is represented by the actual cost of land acquired for the purposes of development for re-sale.

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
NINE (9) MONTHS ENDED SEPTEMBER 30, 2013

3. Finance costs

	Unaudited Quarter ended September 30, 2013 $'000	Unaudited Quarter ended September 30, 2012 $'000	**Unaudited Nine (9) months ended September 30, 2013 $'000**	Unaudited Nine (9) months ended September 30, 2012 $'000	Audited Year end December 31, 2012 $
Finance income					
Interest income	**1,770**	1,446	**5,074**	4,486	6,218
Finance costs:					
Interest expense	**(3,931)**	(4,722)	**(13,135)**	(14,362)	(19,400)
Commitment fees-bank loan	**(509)**	-	**(1,482)**	-	(2,908)
Foreign exchange gains and losses arising from investing and financing activities:					
Unrealized (losses)/gains on translation of foreign currency balances	**(5,781)**	(4,420)	**(26,203)**	(11,790)	(18,239)
Realized gain / (loss) on conversion of foreign exchange	**(430)**	3	**(979)**	27	(2,973)
Total finance cost	**(10,651)**	(9,139)	**(41,799)**	(26,125)	(43,520)
Net finance cost	**(8,881)**	(7,693)	**(36,725)**	(21,639)	(37,302)

4. Investment properties

Investment properties held by the group are as follows:

		Unaudited Quarter ended September 30, 2013	Unaudited Quarter ended September 30, 2012	Audited Year ended December 31, 2012
(i)	Hagley Park Road warehouse	**200,000**	190,199	200,000
(ii)	Miami residential condominium	**283,656**	246,800	254,085
(iii)	Red Hills Road commercial complex	**380,000**	216,220	380,000
		863,656	653,219	834,085

(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 commerical property located on Red Hills Road, Kingston, Jamaica.

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
NINE (9) MONTHS ENDED SEPTEMBER 30, 2013

5. Land for development

	Unaudited September 30, 2013 $'000	Unaudited September 30, 2012 $'000	Audited December 31, 2012 $'000
	17,903	-	-

This represents the cost of a parcel of land located in Westmoreland for development purposes.

6. Receivables and prepayments

	Unaudited September 30, 2013 $'000	Unaudited September 30, 2012 $'000		Audited December 31, 2012 $'000
Rent receivables	**364**	1,940		57
Withholding tax recoverable	**3,800**	3,719		3,790
Security deposits	**2,412**	2,108		2,245
Prepayments	**2,628**	2,943		1,246
Other receivables	**2,594**	4,067	*	6,371
	11,798	14,777		13,709

*Restated

7. Loans payable

	Unaudited September 30, 2013 $'000	Unaudited September 30, 2012 $'000	Audited December 31, 2012 $'000
Bank loan - First Global Bank [see (i)]			
Face amount	**-**	93,354	354
Un-amortized transaction costs	**-**	(2,095)	-
Carrying value	**-**	91,259	354
Bank loan - Sagicor Bank Jamaica Limited [see (i)]			
Face amount	**196,831**	152,887	158,062
Un-amortized transaction costs	**(571)**	-	-
Carrying value	**196,260**	152,887	158,062
Vendor's mortgage [see (ii)]	**55,226**	60,916	59,700
Total bank loans and vendor's mortgage	**251,486**	305,062	218,116
Other mortgage loan - Best Meridian Insurance Company [see (ii)]			
Face amount	**110,639**	96,049	99,300
Un-amortized transaction costs	**(8,006)**	(8,892)	(8,546)
	102,633	87,157	90,754
Total loans payable	**354,119**	392,219	308,870

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
NINE (9) MONTHS ENDED SEPTEMBER 30, 2013

7. Loans payable (cont'd):

	Unaudited September 30, 2013 $'000	Unaudited September 30, 2012 $'000	Audited December 31, 2012 $'000
Classified as follows:			
Non-current			
Bank loans [see (i)]	**-**	84,065	-
Vendor's mortgage [see (ii)]	**36,480**	47,943	46,086
Other mortgage loan [see (iii)]	**102,633**	87,156	90,755
	139,113	219,164	136,841
Current			
Bank loan (i)	**196,259**	160,082	158,415
Vendor's mortgage (ii)	**18,747**	12,973	13,614
Total loans payable	**215,006**	173,055	172,029

(i) **Bank loans**

First Global Bank Limited

During the year ended December 31, 2012, the company made loan principal repayments totalling US$1,096. The principal balance of US$4 outstanding at December 31, 2012 was repaid in January 2013.

Sagicor Bank Jamaica Limited (formerly Pan Caribbean Bank Limited)

During the quarter ended September 30, 2013 Kingston Properties Ltd renewed its existing United States denominated term loan facility. The principal loan balance comprise US$1,699,988, J$176,112 and a new term loan facility of US$200,000, J$20,719 for the purpose of financing the purchase of a parcel of land in Westmoreland, Jamaica.

The renewed term loan facility of US$1,899,988, J$196,831 [2012: (US$1,699,988, J$152,888); December 31, 2012 (US$1,699,988, J$158,062)], evidenced by a promissory note. The loan currently attracts interest at a rate of 5% per annum. The loan is repayable twelve (12) months from the date of disbursement.

It is secured by hypothecation of a deposit of US$1,952,000 (2012: US$1,699,988) held by a subsidiary with the bank.

Transaction costs of US$6,116 were incurred in obtaining the renewed facility. These costs were deducted from the loan balance and are being amortized over the life of the loan. The balance at September 30, 2013 is US$6,116, J$572; (2012: US$nil, J$nil).

(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 September 30, 2013 is US$533,101, J$55,227; [2012: (US$ 677,344, J$60,916); December 31, 2012 (US$642,088, J$59,700)].

7. Loans payable (cont'd):

(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 September 30, 2013 is US$1,068,000, J$110,640); [(2012: US$1,068,000, J$96,049); December 31, 2012 (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 September 30, 2013 is (US$77,830, J$8,007); [2012: (US$99,361, J$8,894); (US$92,737, J$8,546)].

8. Accounts payable and accrued charges

	Unaudited September 30, 2013 $'000	Unaudited September 30, 2012 $'000	Audited December 31, 2012 $'000
Accounts payable	**7,689**	6,140	1,501
Short-term loans	**-**	15	15
Dividend payable	**276**	182	222
Other payables and accrued charges	**6,610**	1,941	6,894
Security deposits held	**11,144**	9,608	9,510
	25,719	17,886	18,142

9. 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 believes 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 Nine (9) months ended September 30, 2013				
	Jamaica $'000	**United States of America $'000**	**St. Lucia $'000**	**Consolidated adjustments and eliminations $'000**	**Total Group $'000**
Revenues	**43,610**	**23,019**	**-**	**-**	**66,629**
(Loss) / profit for the period	**(17,335)**	**8,349**	**4,277**	**-**	**(4,709)**

KINGSTON PROPERTIES LIMITED
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UNAUDITED
NINE (9) MONTHS ENDED SEPTEMBER 30, 2013

9. Segment reporting (cont'd):

Unaudited
as at ended September 30, 2013

	Jamaica $'000	**United States of America $'000**	**St. Lucia $'000**	**Consolidated adjustments and eliminations $'000**	**Total Group $'000**
Segment assets	**943,262**	**422,629**	**411,153**	**(650,277)**	**1,126,767**
Segment Liabilities	**393,020**	**349,225**	**5,799**	**(368,122)**	**379,922**

Unaudited
Nine (9) months ended September 30, 2012

	Jamaica $'000		United States of America $'000	St. Lucia $'000	Consolidated adjustments and eliminations $'000	Total Group $'000	
Revenues	38,878	*	20,110	-	-	58,988	*
(Loss) / profit for the period	(248)	*	6,861	3,697	-	10,310	*

Unaudited
as at September 30, 2012

	Jamaica $'000		United States of America $'000	St. Lucia $'000	Consolidated adjustments and eliminations $'000	Total Group $'000	
Segment assets	826,017	*	363,072	378,936	(619,711)	948,314	*
Segment liabilities	413,920		329,883	3,889	(337,555)	410,137	

*Restated

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9. Segment reporting (cont'd):

	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		Consolidated adjustments and eliminations $'000	Total Group $'000
Segment assets	912,724	374,252	385,361	(626,183)	1,046,154
Segment liabilities	335,220	331,369	4,491	(344,027)	327,053