



KINGSTON
PROPERTIES
LIMITED

OFFERING CIRCULAR 2019



“The Gateway to Global Real Estate Investing”

ARRANGER AND LEAD STOCKBROKER



VICTORIA MUTUAL
Wealth
MANAGEMENT

OFFERING CIRCULAR of



**KINGSTON
PROPERTIES
LIMITED**

A Company Incorporated Under the Companies Act

Registered Office: 7 Stanton Terrace, Kingston 6

Corporate Office: 36-38 Red Hills Road, Building B, 1st Floor, Kingston 10 Telephone

No.: **876-620-4920** | Website: www.kpreit.com | Email: info@kpreit.com

On its own behalf for a renounceable pro rata Rights Issue of a maximum of 355,871,765 New Shares in the capital of the Company (subject to each Existing Shareholder's holdings as at the Record Date) at a subscription price of J\$5.62 at a rate of 1.10573 New Shares for every Existing Share held as at the Record Date of the Rights Issue, subject to rounding the resulting number of New Shares up or down to the nearest whole number to eliminate fractional shares.

Dated: November 4, 2019

Defined terms when used in this Circular have the meanings ascribed to them in Section 5 of this Circular.

This Circular is only being issued to Existing Shareholders of **KINGSTON PROPERTIES LIMITED**, a company incorporated under the Companies Act of Jamaica (“**KPREIT**” or the “**Company**”). A copy of this Circular was delivered to the Companies Office of Jamaica for registration pursuant to Section 40(2) of the Companies Act and was registered by the Companies Office of Jamaica on **November 6, 2019**. The Companies Office of Jamaica accepts no responsibility whatsoever for the contents of this Circular. The Company has been registered with the Financial Services Commission of Jamaica (the “**FSC**”) with respect to the New Shares under section 26 (1) of the Securities Act, and a copy of this Circular was delivered to the FSC in respect of this registration and was so registered on November 8, 2019. The FSC has neither approved the New Shares nor has it passed upon the accuracy or adequacy of this Circular. Any representation to the contrary is a criminal offence under the laws of Jamaica. **The distribution or publication of this Circular and the offering of the securities contained herein is prohibited by law in certain jurisdictions outside of Jamaica. This Circular is intended for use in Jamaica and is not to be construed as an offer of, or an invitation to subscribe for, any of the New Shares outside of Jamaica. The Company does not intend to, nor has it authorised any person to distribute or publish this Circular outside of Jamaica.**

The Directors whose names appear in **Section 10** accept full responsibility, collectively and individually, for all the information in this document relating to **KINGSTON PROPERTIES LIMITED**, its subsidiaries and associated companies. The Directors have taken all reasonable care to ensure that, to the best of their knowledge and belief, the information given herein or in those portions for which they have particular responsibility, is in accordance with the facts and does not omit anything likely to affect, in a material way, the import of such information. No person is authorised to provide information or to make any representation whatsoever in connection with this Circular, which information or representation is not contained in this Circular.

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1. *Important Notice* **ABOUT THIS OFFER**

This Circular is being issued only to the Company's Existing Shareholders (as defined herein), but any Existing Shareholder who applies for New Shares in this Offer may elect to renounce the provisional allotment of some or all of the New Shares allocated to that Existing Shareholder in the Offer, in favour of a person(s) of that Existing Shareholder's choice, whether or not such persons are Existing Shareholders. Such renunciation may be made in the manner provided in paragraph 7 of Appendix 1 – Application Procedures, by appropriately completing the relevant part of the Application Form enclosed with this Circular.

New Shares made available for subscription in this Offer which are neither taken up by Existing Shareholders nor renounced in favour of a person will be issued and allotted first to Existing Shareholders who wish to acquire New Shares in excess of their provisional allotment and who have so indicated in accordance with Section 8 and Appendix 1 – Application Procedures. Thereafter, any remaining available New Shares shall be taken up by the Underwriter pursuant to the Underwriting Agreement.

The application lists with respect to the New Shares will open at 9:00am on the Opening Date and will close at 4:00 p.m. on the Closing Date. Applications submitted prior to the Opening Date will be received, but not processed until the application lists open on the Opening Date. The Company reserves the right to close the application list at any time without notice, if Applications have been received for the full amount of the New Shares made available for subscription in the Offer.

Applications for New Shares should be made on the original Application Form provided with the Letter of Provisional Allotment issued to Existing Shareholders, or the copy provided at Appendix 3 and 4 of this Circular or on the Application Forms available for download at www.vmwealth.vmbs.com, www.kpreit.com and www.jamstockex.com. The procedure for completing the Application Forms are set out in Appendix 1, 2 and on the Application Forms.

Completed Application Forms must be received by 4:00pm on the Closing Date. Each Application must be accompanied/ supported by payment (or, where applicable, evidence of payment, as stated in Appendix 1 – Application Procedures) for the full amount payable on subscription utilising one of the Approved Payment Methods described in Appendix 1 – Application Procedures effected and/or delivered to the Lead Broker listed in Section 7 of this Circular entitled *“Professional Advisors to the Offer”*.

The Company intends to apply to the Jamaica Stock Exchange for the listing of all of the New Shares issued and allotted arising from this Offer, and to make such application as soon as conveniently possible following the closing of the Offer and the allocation of the New Shares. These statements must not be construed as a guarantee that any of the New Shares will be so listed.

2. *Message From* CHAIRMAN

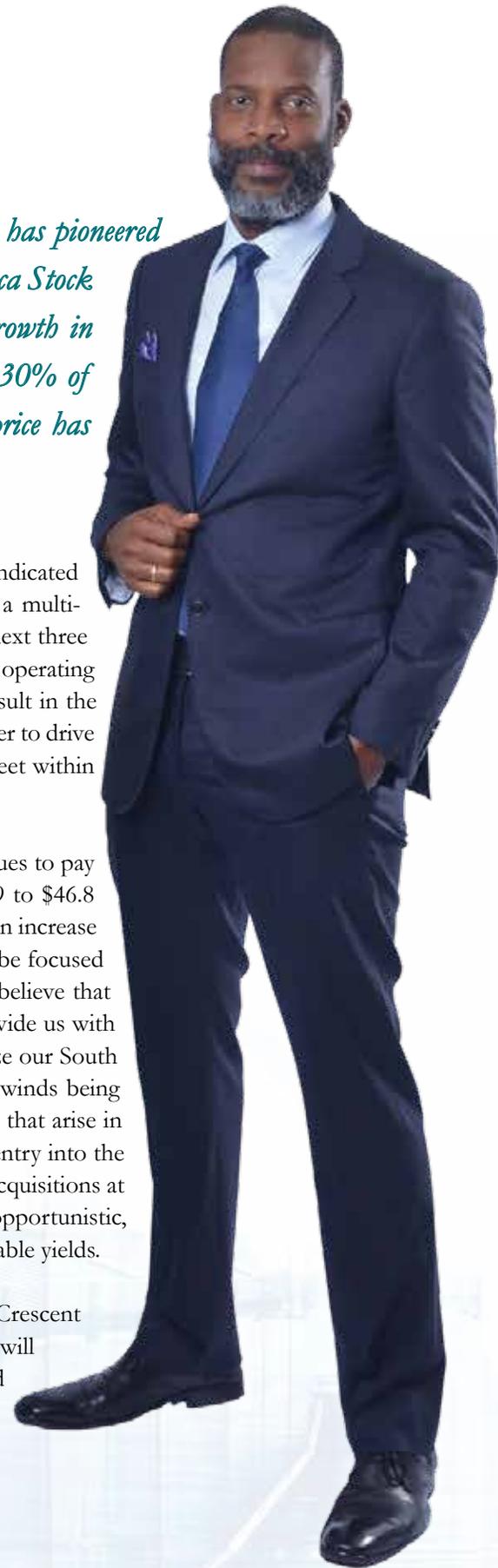
Dear Valued Existing Shareholders,

Since our incorporation in May 2008, Kingston Properties Limited has pioneered the publicly listed real estate investment company segment on the Jamaica Stock Exchange. Over those eleven years, we have achieved tremendous growth in both assets (up 431%) and shareholder value (up 270%); paid out 30% of our cumulative net profit as US dollar dividends; and your stock price has appreciated by 276% since inception.

You may recall that at our Annual General Meeting in May 2019, we indicated that coming out of the recent Strategic Retreat the Board agreed on a multi-pronged strategy to: (1) significantly increase our equity base over the next three years, which this impending rights issue will partially fulfill; (2) insulate our operating results against the impact of incessant foreign exchange volatility, which will result in the ‘dollarization’ of our financial statements for this full financial year; and (3) in order to drive the above, increase our square footage under management to 1 million square feet within the next 3 years.

We have been geographically diversifying into growing economies, which continues to pay off, with net operating income rising by 23% year on year up to June 30, 2019 to \$46.8 million and Earnings Before Interest and Taxation for the same period showing an increase of 154% to \$61.3 million. Our core investment strategy for this rights offer will be focused on office and warehouse properties in Jamaica and in the Cayman Islands. We believe that our experience in these markets and investing in these asset sub-classes will provide us with the best medium to long term risk adjusted returns. As we continue to rationalize our South Florida condominium portfolio, we are obviously aware of the economic headwinds being faced by the US economy and will position ourselves for any new opportunities that arise in that market, which remains the world’s largest and most vibrant economy. Our entry into the US real estate market in 2010 during a cyclical downturn resulted in some solid acquisitions at good discounts from which we are still reaping the benefits. We intend to remain opportunistic, should there be another US market downturn from which we can extract acceptable yields.

In Jamaica, we plan to invest approximately \$50 million dollars in the Grenada Crescent building as part of an effort to modernize and make it more efficient, which will ultimately lead to a reduction in the maintenance cost for our current and prospective tenants. Similar improvement works are slated for our other properties in Jamaica and the Cayman Islands. We are finalizing the process of receiving full Special Economic Zone (SEZ) status under the Special Economic



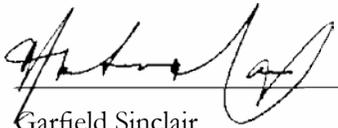
Zones Act for the Grenada Crescent Building, which is to be occupied by a notable business processing outsourcing (“BPO”) operator, and we expect to have this concluded before year end.

The current round of fundraising will be focused on a number of properties in both Jamaica and the Cayman Islands that we believe will allow us to achieve our strategic objectives. We have identified as possible acquisition targets a compelling portfolio of properties in the Cayman Islands covering the fast growing Seven Mile Beach stretch; the re-emergent George Town office district; and the ever-expanding industrial area with close proximity to the recently expanded and upgraded Owen Roberts International Airport. In Jamaica, we continue to focus on commercial real estate opportunities, especially in the warehousing sphere, where we have experienced the greatest demand.

LOOKING AHEAD

Your board and the management team at **KPREIT** are hugely encouraged by and appreciative of the support we have received from the long-term investment community and intend to reward the confidence that you have placed in us by fulfilling the Company’s Vision to create a world-class real estate investment company.

Yours truly,



Garfield Sinclair
Chairman

3. Disclaimer

RESPONSIBILITY FOR THE CONTENTS OF THIS CIRCULAR

This Circular has been reviewed and approved by the Directors of **KPREIT** and they are the persons responsible, collectively and individually, for the accuracy of the information given herein. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case:

- (i) the information in this Circular is true and accurate in all material respects and is not misleading in any material respect,
- (ii) any opinions, predictions or intentions expressed herein on the part of **KPREIT** are honestly held or made and are not misleading in any material respect,
- (iii) all proper inquiries have been made to ascertain and to verify the foregoing, and
- (iv) this Circular does not contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements herein, in the light of the circumstances under which they are made, not misleading.

Neither the FSC nor any Governmental agency or regulatory authority or stock exchange in Jamaica has made any determination on the accuracy or adequacy of this Circular.

CONTENTS OF THIS CIRCULAR

This Circular contains important information for Applicants. All prospective Applicants should read this Circular carefully in its entirety before submitting an Application.

This Circular contains summaries believed to be accurate with respect to certain terms of certain documents, but where copies of such documents are made available for inspection by potential applicants in accordance with Section 14 hereof, reference should be made to the actual documents (upon request made to **KPREIT**) for complete information with respect thereto, and all such summaries are qualified in their entirety by such complete information.

The Circular is distributed only to Existing Shareholders

The Company has distributed this Circular only to Existing Shareholders, and it is intended for use in Jamaica only and is not to be construed as making an invitation to persons outside of Jamaica to subscribe for any New Shares. The distribution or publication of this Circular and the making of the invitation in certain jurisdictions outside of Jamaica is prohibited by law. **KPREIT** requires that Applicants and anyone who receives this Circular inform themselves about and observe such restrictions. This Circular does not constitute, and may not be used for or in connection with, any offer to, or solicitation by, anyone in any jurisdiction in which, or to or by any person whom, such offer or solicitation would be unlawful.

Application to subscribe for New Shares

- (a) By submitting an Application, each Applicant acknowledges and agrees that:
 - (i) such Applicant has received and has been afforded a meaningful opportunity to review this Circular and all additional information considered by such Applicant to be necessary to verify the accuracy of the information contained in this Circular,
 - (ii) such Applicant has not relied on **KPREIT**, the Arranger, the Lead Broker, the legal or other professional advisors to **KPREIT** in connection with the Applicant's investigation of the accuracy of such information or investment decision, and

- (iii) no person has been authorized to give information or to make any representation concerning **KPREIT** or the Offer comprised in this Circular or the New Shares intended to be issued pursuant thereto or to provide information or to make any representation whatsoever in connection with this Circular (*other than as contained in this Circular and information given by duly authorized officers and employees of the Company in connection with the Applicant's verification of the information contained in this Circular*) and that, if given or made, such other information or representation should not be relied upon as having been authorized by **KPREIT**.
- (b) Neither the delivery of this Circular nor the offering, sale or allotment of any New Shares hereunder shall under any circumstances imply that there has been no change in the business, results of operations, financial condition or prospects of **KPREIT** since the date of this Circular.
- (c) In making an investment decision, persons intending to apply for New Shares are expected to make their own assessment of **KPREIT** and the terms of the offer for subscription herein, including the merits and risks involved.
- (d) No representation or warranty, expressed or implied, is made by the legal or other professional advisors to **KPREIT**, as to the accuracy or completeness of the information set forth herein including, without limitation, information in respect to **KPREIT** and nothing contained in this Circular is, or shall be relied upon, as a promise or representation by them, whether as to the past or future. The Company and their legal and other professional advisors have not independently verified any such information and assume no responsibility for its accuracy or completeness.
- (e) Each Applicant should consult with its own advisors as to the legal, tax, business, financial and related aspects of subscribing for New Shares in this offering. Notwithstanding the inclusion in this Circular of such information in respect thereof as the Directors believe to be accurate, neither **KPREIT**, or any of their respective representatives, is making any representation to any Applicant or any other person regarding legal, tax, business, financial and related aspects of any person's subscription for shares in **KPREIT** in this Offer. Persons should not consider this Circular as a recommendation by **KPREIT** that they should subscribe for or purchase any New Shares. Each Applicant must make its own investigation and evaluation of **KPREIT** and the merits and risks of subscribing for New Shares.

4. Note On Forward-Looking Statements

Certain matters discussed in this Circular, including without limitation, statements of expectations, the discussions of future plans and financial projections, contain forward-looking statements. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Although in making any such statements **KPREIT** believes that its expectations are based on reasonable assumptions, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Applicants are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”. When used in this Circular, such words and similar verbal expressions, as they relate to **KPREIT** and its business, are intended to identify those forward-looking statements. By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our forward-looking statements will not be achieved.

Once this Circular has been signed by or on behalf of **KPREIT**, **KPREIT** undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in **KPREIT**'s anticipated financial or actual or anticipated regulatory position, or to reflect the occurrence of unanticipated events.

All phases of our business are subject to important uncertainties, risks and other influences, certain of which factors are beyond **KPREIT**'s control. Any one of these factors, or a combination of them, could cause actual results to differ materially from those in forward-looking statements. These factors include, without limitation, the following:

- economic, social and other conditions in Jamaica and any other jurisdiction in which **KPREIT** may invest, including actual rates of economic growth in such economies, local, regional or global instability, interest rate or exchange rate volatility;
- adverse climatic events and natural disasters;
- **KPREIT**'s ability to gain access to capital financing at an acceptable cost, or investment opportunities that meet **KPREIT**'s investment criteria;
- changes in regulatory policy adversely affecting **KPREIT**'s business model;
- any other factor negatively impacting on the realisation of the assumptions on which **KPREIT**'s financial projections are based, and
- other factors separately identified in this Circular
- other factors not yet known to **KPREIT**

Prospective Applicants are cautioned that the foregoing list of risk factors is not exhaustive and other factors not set out above could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, Applicants and others should carefully consider the foregoing factors and other uncertainties and potential events.

5. Definitions

“Allotment”	the allocation and issuance of the New Shares to successful Applicants
“Applicant”	the person (whether individual(s), company or other legal entity) by whom an Application is made in accordance with the terms of the Offer, being either an Existing Shareholder or a Renounee.
“Application”	an application to subscribe for the New Shares in the Offer, made using the Application Form(s) completed by the Applicant(s) and duly delivered to the Lead Broker together with payment in full (or evidence of payment in full) of the Subscription Price for the number of New Shares subscribed for using an Approved Payment Method and otherwise in compliance with the application procedures set out in Appendix 1 – Application Procedures of this Circular.
“Application Form”	The prescribed form of Application as included with the Letter of Provisional Allotment and which is also set out at Appendices 3 and 4 and which shall also be available for download at www.kpreit.com and www.jamstockex.com or www.vmwwealth.vmb.com).
“Approved Payment Method”	Any of the methods described at paragraph 2 of Appendix 1 – Application Procedures of this Circular by which Applicants are required to tender payment of the Subscription Price.
“Arranger”	Victoria Mutual Wealth Management Limited
“Board”	The Board of Directors of the Company
“Business Day”	Any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in Jamaica
the “Companies Act”	the Companies Act 2004 of Jamaica
“Closing Date”	the date of closing of the Offer, as set forth in Section 6 of this document (subject to such early closure or extension as the Directors may determine)
“Directors”	the Board of Directors of the Company
“Existing Ordinary Shares”	The 321,843,265 ordinary stock units of no par value in the capital of the Company currently in issue as at the date hereof
“Existing Shareholder(s)”	The ordinary shareholder(s) in the Company as recorded on the share registry records of the Company as at the Record Date
“FSC” or “Commission”	the Financial Services Commission, duly established and existing under the Financial Services Commission Act of Jamaica 2001 (as amended)

the “Group”
has

Kingston Properties Limited and its direct and indirect subsidiaries. The Company two wholly owned subsidiaries:

(a) Carlton Savannah REIT (St. Lucia) Limited, which owns 100% of Kingston Properties Miami LLC; and

(b) KP(REIT) Jamaica Ltd.

“J\$” or “Jamaican Dollars”

Dollars denominated in the lawful currency of Jamaica

“JSE” or “the Exchange”

Jamaica Stock Exchange

“KPREIT” or the “Company”

Kingston Properties Limited, a company incorporated under the Companies Act

“Lead Broker”

Victoria Mutual Wealth Management Limited

“New Shares”

all or any of the maximum 355,871,765 ordinary shares in the capital of the Company which are the subject of this Offer (subject to each Existing Shareholder’s holdings as at the Record Date), and which will, upon issue

(i) rank *pari passu* in all respects with the Existing Ordinary Shares and

(ii) be converted to ordinary stock units.

“Offer”

the offer to make the New Shares available for subscription by way of a renounceable rights issue on the terms and conditions set out in this Circular

“Opening Date”

the date on which the Offer opens, as set forth in Section 6 of this Circular

“Record Date”

November 8, 2019, being the date for determining the eligibility of Existing Shareholders to subscribe for the New Shares as determined by the Directors.

“Renounee”

A person resident in Jamaica in whose favour an Existing Shareholder has renounced all or part of their provisional allotment and who submits an Application pursuant to such renunciation. A Renounee need not be an Existing Shareholder.

“Subscription Price”

J\$5.62 per New Share

“Surplus New Shares”

New Shares comprising such of the provisional allotment to Existing Shareholders that has not been taken up by Existing Shareholders or renounced in favour of Renounees by the Closing Date.

“Surplus New Share Pool”

the aggregate of all the Surplus New Shares determined as at the point in time immediately after the Closing Date.

“Underwriter”

Victoria Mutual Investments Limited

“Underwriting Agreement”

the Agreement dated October 16, 2019 between the Company and the Underwriter.

“US\$” or “USD”

The lawful currency of the United States of America



6. Summary Of KEY INFORMATION

The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Circular, including the Appendices.

Recipients are advised to read this entire Circular carefully before making an investment decision about this transaction. Each recipient's attention is specifically drawn to the Risk Factors in Sections 12 and 13 of this Circular and the Disclaimer and Note on Forward-Looking Statements at Sections 3 and 4 respectively of this Circular.

If you have any questions arising out of this document or if you require any explanations, you should consult your stock broker, licensed investment advisor, attorney-at-law, accountant or other professional advisor.

This Offer is made solely for the benefit of Existing Shareholders (as defined in this Circular).

ISSUER: Kingston Properties Limited (the "Company")

ISSUE: The Company is making available for subscription a maximum of 355,871,765 New Shares (subject to each Existing Shareholder's holdings as at the Record Date), by way of a renounceable pro rata rights issue at the Subscription Price set out below at a rate of 1.10573 New Shares for every Existing Share held on the Record Date by Existing Shareholders, subject to rounding the resulting number of New Shares up or down to the nearest whole number to eliminate fractional shares.

The Offer is renounceable, so Existing Shareholders will be permitted to wholly or partially renounce their provisional allotment of New Shares in favour of one or more Renounees, who shall thereby be entitled to submit an Application.

Existing Shareholders should note that a decision to either not take up or to renounce their provisional allotment will result in their equity interest in the Company being diluted. If an Existing Shareholder, whether by renouncing his provisional allotment of New Shares as provided for herein or otherwise, does not exercise the right to subscribe for all of such New Shares making up their provisional allotment, such unsubscribed New Shares (the "Surplus New Shares") will become available to be issued and allotted by the Directors to other Existing Shareholders who wish to acquire additional New Shares in excess of their provisional allotment and have so stated in their Application. As the Offer is fully underwritten, any Surplus New Shares still remaining thereafter will be taken up by the Underwriter at the applicable Subscription Price.

SECURITY: Ordinary shares of no par value in the capital of the Company which will, upon issue (i) rank pari passu in all respects with the Existing Ordinary Shares and (ii) be converted to ordinary stock units.

SUBSCRIPTION PRICE: J\$5.62 per New Share

HOW PAYABLE: In full on Application using an Approved Payment Method.

OFFER CAPITALIZATION: **J\$1,999,999,319.30** (assuming 355,871,765 New Ordinary Shares issued)

**APPROVED PAYMENT
METHODS**

- (i) By Real Time Gross Settlement System (“RTGS System”) or via the Automated Clearing House (“ACH”) to the Lead Broker, using the following information. Evidence of such payment must be included on the second page of the completed and signed Application Form:

VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED

Bank of Jamaica account #: **1015**

BIC#: **JNCBJMKXC;**

Beneficiary: National Commercial Bank, 1-7 Knutsford Boulevard, Kingston 5 for further credit to Victoria Mutual Wealth Management Limited A/C # **351171960**

(Please include the applicant’s name in the transaction details of the RTGS/ACH transfer)

- (ii) Applicants who have an investment account with the Lead Broker may submit to them written instructions (in such form as determined by the Lead Broker) authorizing the Lead Broker to apply available funds standing to the credit of such Applicant against the Subscription Price payable in respect of their application for New Shares.
- (iii) Payment may also be made via a J\$ Manager’s Cheque drawn on a Jamaican commercial bank and made payable to the Lead Broker (“**Victoria Mutual Wealth Management Limited**”) in respect of payment of sums **under J\$1,000,000**.

ARRANGER: Victoria Mutual Wealth Management Limited

**LEAD BROKER & LISTING
AGENT:**

Victoria Mutual Wealth Management Limited

UNDERWRITER

The Offer is fully underwritten by Victoria Mutual Investments Limited.

PURPOSE OF OFFER:

To enhance the capital base of the Company to improve its ability to pursue such acquisition and development opportunities as determined by the Board from time to time as and when they arise.

USE OF PROCEEDS

In accordance with the foregoing and to meet the expenses incurred in connection with the Offer.

OPTIONS AVAILABLE TO EXISTING SHAREHOLDERS

Existing Shareholders may:

- (1) take up all of their provisional allotment and no more;
- (2) take up all of their provisional allotment **and** apply for additional New Shares;
- (3) renounce all of their provisional allotment in favour of one or more Renounees;
- (4) take up a proportion of their provisional allotment and renounce the balance in favour of one or more Renounees;
- (5) take up a proportion of their provisional allotment and allow the balance to lapse; or
- (6) allow all of their provisional allotment to lapse.

DIVIDENDS

Dividends shall be paid by the Company in respect of the New Shares from time to time as determined by the Board in accordance with any applicable dividend payment policy adopted by the Board from time to time. Current policy can be viewed here: <http://www.kpreit.com/docs/KPREIT-Dividend-Policy.pdf>

Ordinary share dividends paid to local investors who are individuals or companies holding less than 25% of the voting shares in the Company are subject to a 15% withholding tax at source.

Foreign resident ordinary shareholders who reside in countries that have entered into a Double Taxation Treaty with Jamaica, may be subject to lower or higher rates of income withholding tax on any ordinary share dividends they may receive, than that applicable to residents of Jamaica.

Each prospective Applicant should consult with an independent advisor as to the rate of withholding and other taxes that is applicable to each Applicant.

INTENTION TO LIST ON JSE

KPREIT intends to apply to the JSE for the listing on the Main Market of all of the New Shares issued arising from this Offer, and to make such application as soon as conveniently possible following the closing of the Offer and the allocation of New Shares. These statements must not be construed as a guarantee that any of the New Shares will be listed.

TIMETABLE:

- (1) Record Date – November 8, 2019
- (2) Distribution of Circular – November 8, 2019
- (3) Offer opens – 9:00am on November 18, 2019

- (4) The Closing Date (Application Forms to be received by) – 4:00pm on November 29, 2019
- (5) Allocations will be determined within six (6) Business Days after the Closing Date (i.e., December 10, 2019)
- (6) Refund payments will be distributed to the Lead Broker within ten (10) days after the Closing Date. (i.e., December 10, 2019)

The above timetable (except for the Record Date) is indicative and will be implemented on a best efforts basis, with the Directors however reserving the right (in consultation with the Arranger and Lead Broker to change the dates that the Offer opens and closes based on market conditions and other relevant factors. **KPREIT** will provide notification via a press release and a notice posted on the website of the JSE of any change in the dates on which the Offer opens or closes.

7. *Professional Advisors &* UNDERWRITER TO THE OFFER

ARRANGER & LEAD STOCK BROKER

VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED

Victoria Mutual Building
53 Knutsford Boulevard
Kingston 5
Website: www.vmwealth.vmbs.com



Contact Person

Ms. Nordialee Stewart
Manager, Client Services
Telephone No.: 876-960-5000-3 (Ext: 5464)
Mobile No.: 876-550-0137
Email address: info@vmwealth.com

UNDERWRITER TO THE OFFER

VICTORIA MUTUAL INVESTMENTS LIMITED

Victoria Mutual Building
53 Knutsford Boulevard
Kingston 5
Website: www.vminvestmentsltd.com
Telephone number: 876-960-5000-3
Email address: info@vminvestmentsltd.com



ATTORNEYS TO THE COMPANY

HART MUIRHEAD FATTA

2nd Floor, Victoria Mutual Building
53 Knutsford Boulevard
Kingston 5
Website: www.hmf.com.jm
Telephone number: 876-929-9677
Email address: info@hmf.com.jm



AUDITOR

KPMG

Chartered Accountants
P.O. Box 76
6 Duke Street Kingston
Telephone number: 876-922-6640
Email address: firmmail@kpmg.com.jm



REGISTRAR AND TRANSFER AGENTS

JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED

40 Harbour Street Kingston
Website: www.jamstockex.com
Telephone number: 876-967-3274



8. The Offer

GENERAL DESCRIPTION OF THE OFFER

Kingston Properties Limited is seeking to raise a maximum of J\$1,999,999,319.30 by offering to its Existing Shareholders, as recorded on the share registry records of the Company on the Record Date, the right to participate in a pro rata renounceable rights issue of 1.10573 New Shares for every Existing Share already held at a Subscription Price of \$5.62 per New Share, subject to rounding the resulting number of New Shares up or down to the nearest whole number to eliminate fractional shares. By way of illustration, if an Existing Shareholder owns 75,500 Existing Shares at the Record Date, the provisional allotment to that Existing Shareholder will be 83,483 New Shares (rounded up from 83,482.615 New Shares).

The Offer will be in respect of a maximum of 355,871,765 New Shares in the capital of the Company (subject to each Existing Shareholder's holdings as at the Record Date), and if the total number of New Shares for which Applications are received and accepted (whether from Existing Shareholders or Renounees) is less than this amount, the remaining available New Shares will be issued and allotted by the Directors to the Underwriter in exchange for payment of the Subscription Price payable in respect of those New Shares.

SHARE CAPITAL INFORMATION

Subscription Price per New Share	J\$5.62
Number of Existing Shares in issue as at the date of this Circular	321,843,265
Maximum number of authorised shares as at the date of this Circular	1,000,000,000
Total number of New Shares made available for subscription pursuant to the Offer	355,871,765
Total number of ordinary stock units in issue immediately following execution of the Offer (including any New Shares taken up by the Underwriter)	677,715,030
New Shares offered as a percentage of the Existing Shares in issue as at the date of this Circular	110.573%

EXPENSES OF THE OFFER

The Directors believe that the expenses associated with the Offer will not exceed 4% of the maximum Offer Amount. This figure is inclusive of arranger and lead broker fees, legal fees, underwriting fees, listing fees and marketing expenses.

PURPOSE OF THE OFFER & USE OF PROCEEDS

The Company has been keenly observing the commercial real estate market both locally and overseas, and is of the view that potential acquisition opportunities exist in respect of this class of investment. Accordingly, the Board of Directors has determined that it is in the best interests of the Company to augment its capital base by way of additional equity funding to improve its ability to pursue such acquisition and development opportunities as the Board may determine from time to time, as and when they arise. The net proceeds of the Offer will therefore be used by the Company for this purpose, as well as to defray the expenses associated with the Offer.

OPTIONS AVAILABLE TO EXISTING SHAREHOLDERS IN RESPECT OF THIS OFFER

(1) TAKING UP ALL OF YOUR PROVISIONAL ALLOTMENT

Should you wish to take up all of your provisional allotment of New Shares arising from your Existing Shares, then your Application for New Shares under this Circular must be made on the relevant section of the Application Form in accordance with the Application Procedures set out in Appendix 1 of this Circular.

(2) TAKING UP ALL OF YOUR PROVISIONAL ALLOTMENT AND APPLYING FOR ADDITIONAL NEW SHARES

Existing Shareholders may, if desired, submit Applications for an amount of New Shares that is in excess of the amount provisionally allotted to them, having regard to the number of Existing Shares held by them as at the Record Date. In such event, the Existing Shareholder shall be treated as (a) having taken up their entire provisional allotment, and (b) having requested the Directors to issue and allot to them from the Surplus New Shares Pool such additional New Shares in excess of their provisional allotment as is indicated in the Application. Additional New Shares from the Surplus New Shares Pool as are available to be allotted to these Applicants shall be allocated, in the case of oversubscription, on a pro-rata basis by allocating the number of Surplus New Shares available among Existing Shareholders in proportion to their application for Surplus New Shares.

By way of illustration, if there are 5,000 Surplus New Shares in the Surplus New Share Pool and Existing Shareholder X (“X”) applies for 2,000 Surplus New Shares and Existing Shareholder Y (“Y”) applies for 8,000 Surplus New Shares, each person’s allotment will be reduced proportionately, based on (i) the number of Surplus New Shares applied for, and (ii) the number of available Surplus New Shares. In such event, as the number of Surplus New Shares applied for is twice the number available, X and Y will each be allocated half of the number of Surplus New Shares applied for.

(3) RENOUNCING ALL YOUR PROVISIONAL ALLOTMENT

Your provisional allotment under the Offer is renounceable which means that all or part of your rights to submit Applications for New Shares under the Offer may be renounced in favour of one or more third parties, who may, but need not be, Existing Shareholders.

If you wish to renounce all of your provisional allotment, you may complete and sign the relevant sections of the Application Form directing the Company that you have irrevocably renounced your provisional allotment of the New Shares in favour of a person(s) specified in the Application Form (the “Renounee(s)”). In that event, the New Shares in such amounts as specified by you shall be allotted and issued by the Company in the name of the person(s) in favour of whom you have renounced, and such person(s) who submits an Application shall be irrevocably obliged to accept such allotment.

(4) TAKING UP A PROPORTION OF YOUR PROVISIONAL ALLOTMENT AND RENOUNCING THE REMAINDER

If you wish to take up only part of your provisional allotment, complete the Application Form for the number of New Shares you wish to take up in accordance with the provisions of Appendix 1 – Application Procedures and Appendix 2 – Instructions for Completing the Application Form.

Simultaneously, you may renounce the remainder of your provisional allotment by completing the relevant section of the Application Form in accordance with paragraph 2 above.

(5) TAKING UP A PROPORTION OF YOUR PROVISIONAL ALLOTMENT AND ALLOWING THE REMAINDER TO LAPSE

If you wish to take up only part of your provisional allotment and allow the remainder to lapse, complete the Application Form for only the number of New Shares you wish to take up in accordance with the provisions of Appendix 1 – Application Procedures and Appendix 2 – Instructions for Completing the Application Form.

If you take no further action, the balance of your provisional allotment will lapse and you will have forfeited any potential benefit to be gained from taking up that part of your provisional allotment.

(6) ALLOW ALL OF YOUR PROVISIONAL ALLOTMENT TO LAPSE

Your provisional allotment is renounceable, which enables Existing Shareholders who do not wish to take up part or all of their provisional allotment to simply renounce in favour of another person(s). If you do not wish to accept any part of your provisional allotment and do not wish to renounce any part of it, you are not obliged to do anything. If you do not take up your provisional allotment or dispose of your provisional allotment by the Closing Date by renouncing it, your rights under this Offer will lapse, and your shareholding in the Company will be diluted.

LISTING ON A STOCK EXCHANGE

It is the intention of the Company to apply for the New Shares issued arising from this Offer to be listed on the JSE, where the Existing Shares are currently listed. This statement of intention is not a guarantee that the New Shares will be so listed as the acceptance of the Company's application for the listing of the New Shares will depend on whether the JSE is satisfied that the rules of the Jamaica Stock Exchange have been complied with, and that the supplemental application for listing is in compliance with these rules. If the New Shares are listed on the JSE, then transfers thereof made in the ordinary course of business across the JSE will be made free of transfer tax and stamp duty, pursuant to provisions of the Transfer Tax Act and Stamp Duty Act of Jamaica.

9. THE COMPANY AND ITS OPERATIONS

KPREIT was incorporated in Jamaica as a real estate investment company. Formerly known as Carlton Savannah (REIT) Jamaica Limited, it commenced operations in May 2008, with the goal of being the premier real estate investing company that creates wealth for its shareholders. The Company changed its name to Kingston Properties Limited on October 20, 2009. The Company has two wholly-owned subsidiaries:

- (i) Carlton Savannah REIT (St. Lucia) Limited, incorporated in St. Lucia under the International Business Companies Act, (which has a wholly owned subsidiary, Kingston Properties Miami LLC, incorporated in Florida under the Florida Limited Liability Company Act), and
- (ii) KP (REIT) Jamaica Limited, incorporated in Jamaica under the Companies Act.

The Group owns properties in Jamaica, the United States and the Cayman Islands as set out below:

LOCATION	PROPERTY	DESCRIPTION	% OF PORTFOLIO
KINGSTON PROPERTIES MIAMI, LLC			
USA	Loft II 1	0 - one bedroom and two bedroom units owned in a multi-story condominium building in Downtown Miami, Florida	12%
USA	Midblock	1 - two bedroom townhouse held in a condominium building in Midtown, Miami, Florida	2%
USA	W Ft Lauderdale	3- one and two bedroom units owned in a condominium and hotel property that is managed by the Marriott Hotel Group	11%
USA	Opera Tower	3 - one bedroom and two bedroom units owned in a multi-story condominium building in Downtown Miami, Florida	5%
KINGSTON PROPERTIES LIMITED			
Jamaica	Kingston Properties Commercial Complex, 36- 38 Red Hills Rd, Kingston 10	A multi-tenant warehouse and office complex on Red Hills Road, with tenants in the distribution, technology and communications industries	25%
Jamaica	591 STR	A multi-tenant warehouse complex on Spanish Town Road, with tenants in the manufacturing, distribution and logistics industries	12%
KP (REIT) JAMAICA LIMITED			
Jamaica	KP (REIT) Building - 52- 60 Grenada Crescent, Kingston 5	A four-story office building in the New Kingston business district with tenants who provide Government and legal services.	17%

CARLTON SAVANNAH REIT (ST. LUCIA) LIMITED

Cayman Islands	Tropic Centre One, Earth Close, SMB	A multi-tenant, multi-story building along the Seven Mile Beach stretch in the Cayman Islands. The building is mixed use with both residential and commercial retail tenants.	16%
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Following the principles of a Real Estate Investment Trust (REIT), the Company's shareholders benefit from both the appreciation of the value of the properties owned, as well as, the distribution of the income derived from these assets. Our "Buy Local, Own Global" motto refers to the fact that the ownership of shares in KPREIT means that various types of shareholders, even those with limited funds, can access a geographically diversified real estate portfolio that generates sustained cash flows. Consequently, shareholders do not have to purchase the real physical property in order to receive financial benefits from that investment outside the shores of Jamaica.

CORPORATE OBJECTIVE

The primary corporate objective of Kingston Properties continues to be to increase shareholder value through the ownership and management of real estate that will generate sustainable long-term dividends. The core areas of focus are:

A. Investment Management

B. Property Management

C. Business Strategy

A. INVESTMENT MANAGEMENT

We continue to adopt and implement nimble investment strategies to satisfy our target returns while balancing the overall risk of the portfolio. Diversification of the portfolio of assets to minimize the impact of country and sector risk is a tool used to boost returns and tax efficiency risk.

There are various factors that determine asset selection and retention including:

1. **identifying properties with strong, consistent cash flows;**
2. **properties located in markets with sound fundamentals; and,**
3. **tenants with strong credit histories.**

Our process of property selection incorporates rent comparisons among various properties, trends in capitalization rates for the market and the asset sub-class, as well as the potential for net operating income growth and historical sales comparisons. The Company makes use of various data sources that provide updated trends and forecasts for factors such as market rents and rents per square foot ("p.s.f."), vacancies, closed sales and prices p.s.f. as well as inventory for different property types including apartments, office, retail and industrial properties.

Part of the process of determining asset retention is valuation modeling, which involves analyzing cash flows of the individual properties with attention on the important assumptions such as rent growth, the level of vacancy that could be experienced, operating expenses for items such as insurance, taxes, repair and maintenance, as well as property management fees and funding costs.

Our deal structuring process involves the analysis of the most efficient and return-enhancing way to finance the acquisition and retention of our respective properties. The Company has and continues to use a variety of options including issuing common equity as well as debt and quasi-debt facilities. The capacity of each deal's cash flows to service both operating expenses and financing obligations are considered to minimize financing risk.

In addition, we conduct a Total Return Analysis in respect of each property. Total Return Analysis takes into consideration the likely capital appreciation prospects for the property and is influenced by the macro economic trends of the location of the property. For example, for an apartment building, the important variables include macro trends in the job market.

Finally, Deal Review and Final Approval is an important component of the investment management process. The Investment Committee reviews each deal taking into consideration the impact on the Company's financial and prudential ratios. The Committee, only when satisfied, makes recommendations to the Board for final approval.

B. PROPERTY MANAGEMENT

The Property Management process is a key component in our mission to create and maintain shareholder wealth. This involves the engagement of a team with overall responsibility for lease administration and oversight as well as day to day property management activities of the Company's portfolio. The administration of leases involves rental negotiations and collections, common area maintenance and fee collection and management of rent and maintenance escrow accounts. The team also engages in insurance negotiations and payments, property tax compliance and liaison with maintenance and service crews to ensure proper upkeep of our properties. This team oversees the marketing function, ensuring that our properties are leased at optimal rents and occupancy levels to meet the financial targets of the portfolio.

Active Management of the properties is a hallmark in maintaining good tenant relations to ensure consistent and stable cash flows. The Company utilizes a combination of internal and external professionals to ensure properties remain competitive in terms of rental rates and physical condition and that property data is collected and analyzed for trends to maintain tenant satisfaction at an optimal level.

For data collection and analysis, the Company uses industry software **Rent Manager** - a residential and commercial property management solution designed specifically to help real estate professionals work more efficiently and effectively. **Rent Manager** includes a completely integrated accounting system that offers General Ledger, Accounts Payable, Accounts Receivable, Budgeting, and financial Reports that integrate seamlessly with a property management software system.

For our multi-tenant residential properties in Florida, efficient rent collection and processing is a priority. The PayLease software allows for electronic rent collection and is a very cost effective way to ensure timely collection thus avoiding delays in rent payments.

Management of our residential property portfolio involves us consistently screening prospective tenants. The software, Advantage Tenant, is a screening tool which utilizes US nationwide data that helps us to fast track our approval process, an important competitive edge in a fast paced rental market.

Property Management also involves control of repair and maintenance expenses while ensuring the highest level of tenant relations. Over the last ten years, we have utilized Service America to provide repair and maintenance services for our tenants in the US.

Property Management with respect to our commercial portfolio involves the use of a referral system to do background checks on prospective tenants along with various tools including the presentation of financials, certificates of good standing and identification of the principals involved in the companies.

C. BUSINESS STRATEGY

A critical focus of our business strategy is to ensure that we operate at optimal levels of efficiency and profitability. We achieve this by increasing the amount of revenue generated for each dollar of cost. We maintain a relatively low fixed-cost model in our operations which satisfies our mission of increasing shareholder value.

NIMBLE STRATEGY

We adopt a fairly nimble business strategy that allows us to make portfolio shifts to take advantage of market strengths and opportunities. This allows us to consistently create value for our shareholders.

ACQUISITION STRATEGY

We pursue a focused acquisition strategy geared at acquiring discounted properties with above average yields supported by detailed research and analysis of markets, valuation comparables and cash flow models. In the same vein, we employ prudent capital and risk management strategies for optimal risk-adjusted returns.

EFFICIENT FUNDRAISING

We make optimal use of the capital markets to raise debt, quasi-debt and equity financing to grow the portfolio. This would include but is not limited to bank financing, common and preferred stock, as well as other financing structures.

SHARED RISK

We adopt a model that allows us to share risk of deals through partnerships and joint-venture opportunities. This facilitates participation in larger sized deals while minimizing risk.

CAPACITY BUILDING

We maintain continued focus on building capacity in the organization through developing networks of real estate professionals, not just in sourcing properties, but in the management of them. This also extends to building capacity in the area for structuring of deals in overseas markets, development capacity and identifying training programmes to better equip the team in fulfilling our mission.

10. Profile Of Directors & MANAGEMENT



Garfield "Garry" Sinclair
Chairman

Sinclair adds a wealth of over two (2) decades of experience in business management. Licensed as a CPA from 1993, Garry has a B.Sc. in Business Administration from San Diego State University and an Executive Certificate in Strategy and Innovation from the Sloan School of Management at the Massachusetts Institute of Technology (MIT).

Garry currently serves as the president of the Caribbean operations of Cable & Wireless Communications, which is the controlling shareholder of BTC and was previously the Managing Director of Flow. He was also a part of the innovative team that created Dehring, Bunting & Golding Limited (DB&G), which was the nation's first investment bank.

Effective August 1, 2018 - he was appointed chief executive officer of Bahamas Telecommunications Company (BTC). Garry serves as Director of FLOW's subsidiaries and Dekal Wireless Jamaica Limited and several other local organizations and publicly listed companies to include Proven Investments Limited and Proven Wealth Limited. He sits as Chairman of the Jamaica Stock Exchange Pension Fund and Kingston Properties.

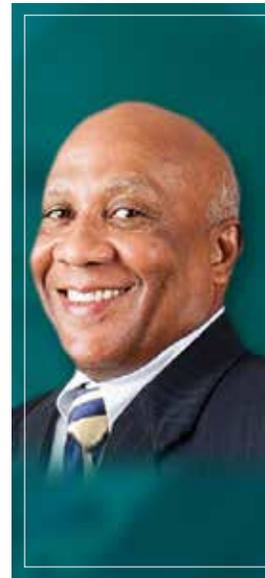


Nicole Foga
Director

Ms. Foga sits at the helm of Telecommunications, Media & Technology Department at Foga Daley Attorneys-at-Law and is also a Managing Partner at the firm. She holds a LL.M. in Commercial Law (Aberdeen University), LL.B. (UWI) and a Bachelor of Arts Degree (1st Class Hons.) from the University of the West Indies (UWI). Her practice areas include Cyber Law, Intellectual Property and Commercial Law. As a prolific writer, she has authored Cyber Law in Jamaica in 2012 and co-authored with Dianne Daley IP Rights and Caribbean ICT Industries: The Case for Reform - published in Ringtones of Opportunity, 2012. She is currently in the process of updating Cyber Law in Jamaica.

She is also a member of the International Trademark Association (INTA), the INTA Internet Subcommittee, ITechLaw Association, Society for Computers and the Law and is also an Associate member of the American Bar Association and the Institute of Electrical and Electronics Engineers.

Nicole holds chairmanship positions on the Telecommunications, Broadcasting and Technology Committee of the Jamaican Bar Association and the University of Technology's Pension Fund and Vice Chairman of Jamaica's Copyright Tribunal, Director and Company Secretary for the Usain Bolt Foundation and a member of the Mona ICT Policy Centre Advisory Committee.



Gladstone "Tony" Lewars
Director

Gladstone "Tony" Lewars is a Chartered Accountant by profession and a retired partner of PricewaterhouseCoopers where he was the Leader for the Advisory division of the firm. He is the holder of two Masters Degrees in Economics and Accounting from the University of the West Indies.

He is a Director of Mayberry Investment Ltd and Guardian Life Ltd, and chairs the Boards of JN Cayman Ltd, JN Cayman Money Services Ltd, Guardian Group Foundation and The Holy Trinity High School. He is a past student of Jamaica College and is a Trustee for the Jamaica College Trust. He serves on the Board of Governors for The Alpha Academy and is a member of the Police Civilian Oversight Authority (PCOA).

In 2015, he was conferred with the honour of the Order of Distinction in the rank of Commander Class (CD) in recognition of his invaluable service to the Public and Private Sectors



Lisa Gomes
Director

Founder and Managing Director of CapSol Advisory Limited, Lisa has over 30 years of experience in Hospitality, Pension Fund Management, Financial Planning and Investment Banking. For nine (9) years, she worked with one of Caribbean's largest integrated financial conglomerates- Guardian Holdings Limited, where she served as President of Guardian Asset Management Jamaica Limited (GAMJA). With tenacity and focus, Lisa grew GAMJA's shareholders equity from J\$100M to J\$1Billion and in the year 2010, she spearheaded the successful and profitable sale of the company when the Parent Company decided to exit the business.

Lisa chairs Kingston Properties Limited's Corporate Governance Committee and sits on the Board of the said company's Investment Committee. In December 2017 she joined the Board of Caribbean Assurance Brokers and chairs its Audit Risk and Compliance Committee. She also serves as Chairman of Proven Wealth Limited and also chairs its Audit Committee.



Peter Reid
Director

Reid is by trade a career Banker with over 30 years' experience in the financial services sector, in particular, in sales and management, credit, financial analysis, financial advisory and deal structuring. Mr. Reid assumed the title of Senior Vice President & Chief Operating Officer at Victoria Mutual. Before he was appointed in the aforementioned role, he was a District Vice President providing sales, service and strategic leadership for the Bank of Nova Scotia Jamaica Limited.

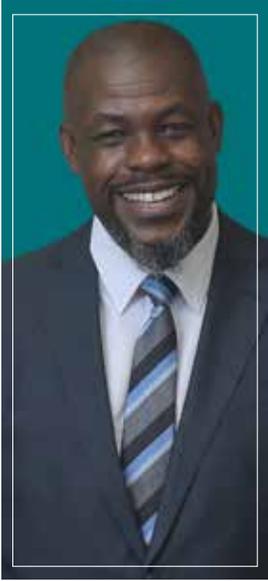
Peter has held a number of directorships on Boards of several enterprises including Grace Kennedy Currency Trading Services Limited, Guardian Life Limited, Guardian Life Asset Management Jamaica Limited, the National Water Commission and West Indies Alliance Insurance Company Limited. He holds an honours Bachelor of Arts Degree in International Studies from York University in Toronto, Canada.



Meghon Miller-Brown
Director

Since the year 2000, Meghon has been the Vice President of Finance at Guardian Life Limited. She has also assumed various responsibilities for Investments, Individual Life Operations and Property Management. Designated as the Chief Financial Officer in 2010, she will lead and oversee the following areas that include Life, Health and Pensions business segment of Guardian Holdings Limited. She also holds a Masters in Business Administration from the University of Manchester, Manchester Business School and a BSc (Honours) in Management Studies from the University of West Indies, Mona.

A Chartered Accountant by profession, she has over 20 years experience in the financial services industry and is a Fellow of both the Association of Chartered Certified Accountants of the United Kingdom and the Institute of Chartered Accountants of Jamaica (ICAJ). Currently, she is a director of Guardian Resorts Jamaica Limited and is a member of the Investment and Asset Liability Management Committees of Guardian Life Limited and the Professional Accountants in Business (PAIB) Committee of the ICAJ.



Kevin G. Richards
Chief Executive Officer

Mr. Richards is the Chief Executive Officer of Kingston Properties Limited where he is tasked with driving the strategic objectives of the company and maximizing shareholders' value. His career spans over 20 years of experience in the areas of media, investment management and real estate. He is a former Senior Director –Investments at Jamaica's National Insurance Fund, a multi-billion dollar government controlled pension scheme and has held senior executive positions with leading investment houses in Jamaica.

He holds a B.A. in Spanish and Economics from the University of the West Indies, Mona; an M.A. in Economics from Dalhousie University, Nova Scotia, Canada; a certificate from the Canadian Securities Institute and successfully completed the Real Estate Salesman Course from the University of Technology in Jamaica. He currently chairs the Real Estate Board of Jamaica and the Commission of Strata Corporations and chairs the Finance Committee of both institutions and is a member of the Developer's Application and Audit Committees. He is a former Commissioner of the Financial Services Commission.



Tatesha Robinson
Property & Administration
Manager

Ms. Robinson holds a Bachelor of Science in Economics and Statistics (Hons) and a Master of Science in Economics both from the University of the West Indies, Mona. Since joining the Kingston Properties team in 2010, she has primarily represented the operations management side of the properties in the portfolio - guaranteeing timely rent collections and an effective level of tenant relations and communications.

Tatesha also processes the lease renewals for existing tenants, interacts with the management company and leasing agents, screens new applicants and liaises with our accounting firms to ensure that information is consistent and up to date.

Through Tatesha's efficient efforts, she also provides the Company with local and international real estate market information; and produces the company's flagship weekly newsletter, as well as collecting articles about the global real estate industry and current market performance.



Roxanne Kelly
Financial Controller

Ms. Kelly began working at Kingston Properties in July 2018 as the company's financial controller. She is responsible for the finance strategy and accounting and financial operations of the Group, including the production of periodic financial reports, maintenance of an adequate system of accounting records and a comprehensive set of controls and budgets designed to mitigate risk and to enhance the accuracy of the Group's financial results.

Roxanne has a Bachelor of Science Degree in Business Administration, majoring in Accounting & Financial Management. She has over ten years' experience in audit, taxation and accountancy. Her experience extends to manufacturing and distribution, financial institutions, real estate, service industry, insurance and non-profit entities. She is currently pursuing her Certified Public Accountant (CPA) exams.

11. Management Discussion, Analysis Of FINANCIAL PERFORMANCE & OUTLOOK

PART 1 - OVERVIEW OF THE GROUP

Since mid 2018 the Group has embarked on a transition of its property portfolio. Our strategy of reducing the number of condominium units in South Florida and focus more on higher income yielding properties in other markets such as Jamaica and the Cayman Islands continues. The saturation of condominiums on the market from the over building of previous years and the increased pace of disposal of assets by developers in light of the US Federal Reserve's hikes in interest rates, have resulted in lower year over year valuations in the portfolio. Our Jamaican and Caymanian properties however, continue to perform well, both in terms of income yields and capital appreciation over the last two years. The results of the first half of financial year 2019 saw continuing improvement in our net operating margin with higher rental revenue and a reduction in expenses. The impact of the volatility of the Jamaican dollar vis-à-vis the United States dollar resulted in lower year on year net profit after taxes (NPAT) due to unrealized foreign exchange losses incurred on our net assets in 2019 compared to gains in the prior year. Both Earnings before Interest and Taxes (EBIT) and Funds from Operations (FFO) saw triple and double-digit year on year increases as at the first half of 2019.

An overview of our current portfolio of assets is shown below and comprises a mix of residential, retail, office and warehouse properties in three jurisdictions.

In 2018, we completed the acquisition of a multi-story office building in New Kingston for a purchase price of \$435 million,

which moved our holding in the office rental space from 7% in 2017 to 27% in 2018. The acquisition is in line with our strategy of diversifying our holdings into other markets and asset sub-classes. Jamaica is a market that we believe has a strong potential for positive upside in the near to medium term, while providing more competitive yields. As part of this diversification strategy, we sold six (6) condominium units in Florida during the year, ultimately, reducing our holdings in the residential sub-market. This coupled with lower year on year market valuation on our condominium portfolio reduced the weighting of residential properties in our entire portfolio from 56% to 36% in 2018. Average occupancy during the year was approximately 94% even despite higher than expected vacancy in our 'condo-tel' property in Florida and the usual vacancy levels from tenant turnover.



Key Ratios					
	2014	2015	2016	2017	2018
Total Comprehensive Income % of Average Equity	5.22%	11.13%	11.53%	2.26%	3.74%
Loans as % of Total Equity	57.09%	0.00%	15.87%	40.51%	59.79%
Rental Income % of total Investment property	11.33%	6.98%	6.76%	7.94%	7.54%
Pre-Tax Profit Margin %	2.12%	45.86%	62.25%	23.35%	-5.62%
Net Operating Margin %	47.41%	6.89%	24.68%	36.67%	34.89%
Net Profit per share	-0.02	1.00	0.81	0.25	0.11
Operating Expenses as % of Rental Income	52.59%	93.11%	75.32%	63.33%	65.11%
Effective Tax Rate	149.15%	17.18%	20.90%	-56.19%	485.07%
Total shares outstanding	68,798,669	160,996,334	160,996,334	321,992,668	321,967,682
Other Data					
	2014	2015	2016	2017	2018
EBITDA (adj.)	52,479,478	11,372,436	46,463,541	82,153,405	25,947,296
Net Cash from Operations	55,298,705	974,667	-144,667,060	85,150,354	54,493,002
Gross Dividends Paid (USD)	172,000	200,000	400,000	200,000	200,000
Dividend per share (USD)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dividend yield	3.82%	2.12%	3.19%	2.02%	1.32%
Dividend Payout Ratio	-1682.54%	22.26%	38.53%	32.43%	76.44%
Book Value per share	\$12.38	\$9.85	\$10.72	\$5.40	\$5.53
Year end closing stock price	\$7.50	\$7.05	\$10.00	\$7.70	\$6.00
Year end closing stock price (adj.) *	\$3.75	\$3.53	\$5.00	\$7.70	\$6.00
Price Earnings Ratio	N/A	7.06	12.39	31.32	56.92

Year End Market Capitalization	515,990,018	1,135,024,155	1,609,963,340	2,479,343,544	1,931,806,092
JSE Index at Year End	76,353.39	130,692.13	192,276.64	288,381.97	379,790.86
Annual Inflation Rate % - Jamaica	6.40%	3.70%	1.70%	5.20%	2.40%
Annual Inflation Rate % - US	0.80%	0.70%	2.10%	2.10%	1.90%
Year End Exchange rate USD:JMD	\$114.66	\$120.42	\$128.44	125	127.72
% Change	7.80%	5.00%	6.70%	-2.70%	2.20%
Average annual exchange rate	111.22	117.31	125.14	128.36	129.72

* - In May 2017, shareholders approved a stock split of 1:1

STOCK PRICE & DIVIDENDS

Shareholders approved in August 2019 a resolution to increase the authorised shares of the company from 500,000,000 ordinary shares to 1,000,000,000 ordinary shares in order to improve the shares' liquidity and trading volume and to facilitate this rights issue. Following a 22% depreciation in the stock price in 2018, the stock price so far in 2019 has remained relatively flat from a close of \$6.00 as at the end of 2018 to \$5.90 as at October 28, 2019.

We paid out 76% of profits as dividends in 2018, which is one of the highest payout ratios in our history. This is in keeping with our dividend policy of paying out up to 90% of profits as dividends. Dividend yield for the year was 1.3%, which was just less than the 2.0% recorded the previous year. Also, during the year, we continued our share buyback programme as a way to return value to our shareholders.

Second Quarter Financial Highlights (for the six month period ending June 30, 2019)

	12 months to December 31, 2017	12 months to December 31, 2018	6 months to June 30, 2019 ("H1")
Rental Income	\$196.3M	\$204.1M	\$112.9M
Operating Income	\$72.0M	\$71.2M	\$46.8M
Pre-Tax Profit(Loss)	\$50.7M	\$(8.8)M	\$23.7M
Net Profit	\$79.2M	\$33.9M	\$22.0M
Total Comprehensive Income	\$39.1M	\$65.9M	\$53.6M
Total Equity	\$1,739.5M	\$1,779.9M	\$1,808.1M
Investment Properties	\$2,471.5M	\$2,707.8M	\$2,699.9M
Net Operating Margin %	36.7	34.9	41.5
Dividends Paid (USD)	\$200,000	\$200,000	\$200,000
Closing Stock Price (Adj.)	\$7.70	\$6.00	\$6.00

In addition to the above highlights, we have set out at Appendix 6 a summary of the key financial data extracted from the audited financial statements of the Company for each of the financial years ending December 31, 2014 through to December 31, 2018. A complete set of audited financial statements for the Company for the financial year ended December 31, 2018, including the report of our auditors, can be found on the website of the Jamaica Stock Exchange at <https://www.jamstockex.com> and at our website at www.kpreit.com.

Consolidated Results from Operations

INCOME STATEMENT

The Group posted a 6.0% increase in rental income for the six month period ending June 30 2019 (“H1”) to \$112.9 million compared to \$106.5 million for the same period in 2018. Net Operating Income (“NOI”) for H1 2019 increased by 23.3%, moving from \$38.0 million for the same period in 2018 to \$46.8 million in 2019. This was primarily due to the addition of the Grenada Crescent asset in the final quarter of 2018.

Group operating expenses, which include direct property expenses and administrative expenses, increased from \$32.7 million for H1 2018 to \$34.7 million for H1 2019, an increase of 6.2%. However, operating expenses for H1 2019 declined by 3.6% to \$66.0 million from \$68.5 million the same prior year period. Operating expenses for H1 2019 reflect lower homeowners’ association (“HOA”) fees and property taxes, two of our largest expense items.

The Group’s EBIT increased by 154% in H1 2019, to \$61.3 million compared to \$24.1 million for H1 2018. This was primarily due to a net fair value gain on investment property of \$23.8 million, after recording a loss on disposal of investment properties following the sale of two condominium units in Florida, as well as an impairment loss of \$4.2 million due to the Group’s adoption of IFRS 9.

Funds from Operations (FFO) for the first half of 2019 amounted to \$27.9 million compared to \$18.6 million for the same period in 2018. This represents a year on year improvement of 50.4% and highlights the Group’s intention to consistently generate strong net cash flows from its operations.

Net Profit in the first half of 2019 amounted to \$22.0 million compared to \$63.5 million for the first half of 2018. The figure in 2018 included a tax credit of approximately \$31 million due to the tax cuts resulting from the Tax Cuts and Jobs Act 2017 under the current Trump administration. The second quarter of 2019, however, recorded a net profit of \$9.4 million compared to a profit of \$26.1 million for the same period in 2018. Higher net profit in the second quarter of 2018 compared to 2019 stems from tax credits recorded in 2018 from the reduction of the corporate tax rate in the US from 39% to 21% as well as unrealised foreign exchange translation gains on our net financial assets, compared to a foreign exchange loss in 2019. During the current year, total comprehensive income amounted to \$60.2 million in the quarter ended June 30, 2019 (YTD \$53.6 million), compared with \$34.1 million in the quarter ended June 30, 2018 (YTD \$72.2 million).

GROUP BALANCE SHEET

Investment Properties totalled \$2,669.9 million as at June 30, 2019 versus \$2,487.9 million as at June 30, 2018, an increase of 7.3%. The net increase results from the addition to the portfolio of the Grenada Crescent building in November 2018 offset by the disposal of nine (9) condominiums in Florida over the last year and augmented by the fair value improvements on some of our properties.

Total assets stood at \$2,875.0 million as at June 30, 2019, an increase of 7.6% over the \$2,671.6 million balance as at June 30, 2018. The Group continues to generate higher cash balances in 2019 compared with 2018 largely from the proceeds of asset sales and increased NOI over the period. The cash will be used in the acquisition of new properties.

Total loans payable were \$994.4 million at June 30, 2019 compared with \$797.4 million at June 30, 2018 representing a 24.7% year on year increase. The increased loan balance, which is primarily collateralized bank financing, was deployed to expand our operating asset base. The loans are all in US dollars from financial institutions in the US, Jamaica and the Cayman Islands. The weighted average cost of borrowing as at June 2019 was 4.99%.

As a consequence of the disposal of and the fair value loss on some of our US properties, the Group's deferred **tax liabilities** declined by \$16.5 million during the first half of 2019 when compared with the figure as at June 30, 2018.

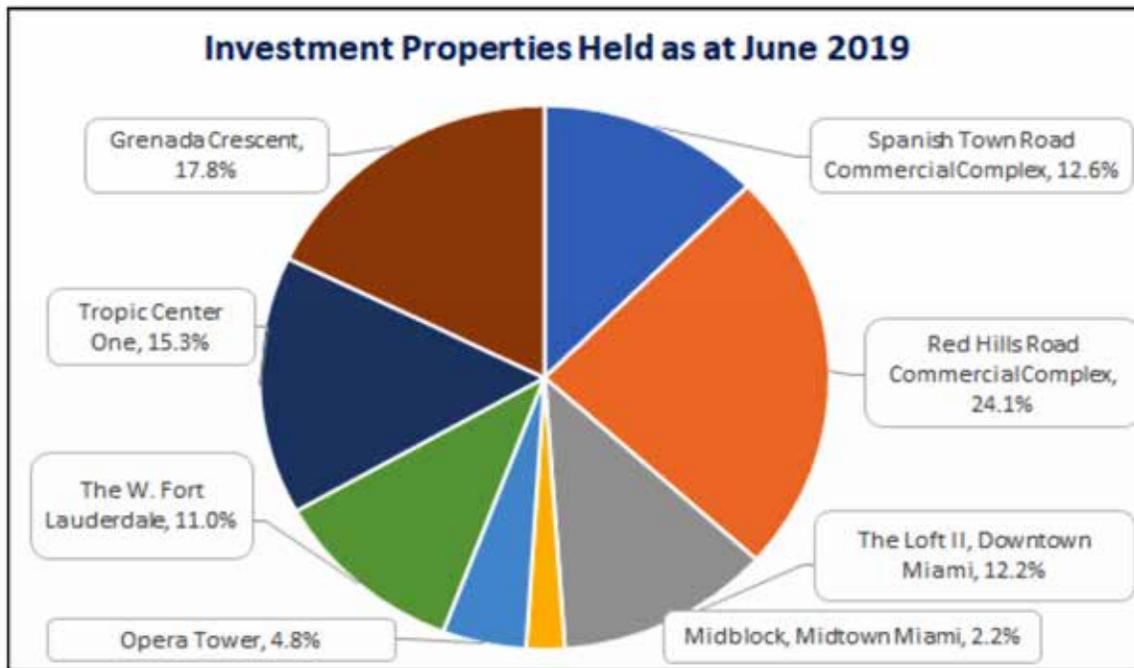
Total Equity increased in the 12 months to June 30, 2019 from \$1,789.2 million to \$1,808.1 million and book value per share increased from \$5.56 to \$5.62.

For additional details, we also refer you to our unaudited group financial statements for the six months ended June 30, 2019, available on the JSE website at <https://www.jamstockex.com/kingston-properties-limited-unaudited-group-financial-statements-for-the-six-months-ended-june-30-2019/>.

Part 2 - KPREIT PROPERTY PORTFOLIO

The value of investment properties held as at June 30, 2018 and June 30, 2019 respectively were as follows:

Location	2018 J\$'000	2019 J\$'000
Spanish Town Road Commercial Complex	320,000.0	336,455.0
Red Hills Road Commercial Complex	571,554.0	642,442.0
The Loft II, Downtown Miami	421,470.0	325,820.0
Midblock, Midtown Miami	257,857.0	57,826.0
Opera Tower	125,767.0	127,365.0
The W. Fort Lauderdale	426,562.0	295,019.0
Tropic Center One	364,672.0	409,647.0
Grenada Crescent	-	475,347.0
Total	2,487,882.0	2,669,921.0



Details of each of the properties are set out below.

Florida

Loft II Building, Downtown Miami

The ten (10) units held at the 36-floor Loft II building continue to attract stable tenancy with average occupancy for the year of approximately 91%. Turnover remains low in the building given the premium downtown location and access to public transportation. Amenities in the Downtown Miami area such as the American Airlines Centre, Bayside Marketplace and Bayfront Park, and its close proximity to the financial district in Brickell, help to boost the demand for space in this building. These features allow us to make periodic adjustments to rents at lease end dates or for new tenancies.



Midblock Condominiums, Midtown Miami

Midblock is an 11-floor boutique mid-rise building offering live-work lofts and townhome villas. It is located in Midtown Miami, an area that adjoins Wynwood and the Design Districts. The property is located in walking distance of restaurants, parks and boutiques and attracts owners and tenants who are mid to senior level professionals as well as business owners.



The unit held is a two-bed two and a half bath town home, and a new management company assumed the operations of the building in 2017 resulting in improvements in the building's upkeep and the establishment of a reserve fund to handle repairs. Although this resulted in higher HOA fees, we believe it will redound to our benefit in the long run with better maintenance of the property.

The W Fort Lauderdale

The property is what is considered a condo-tel comprising two buildings, a 517-room hotel and 171-unit condominium. The W Fort Lauderdale is a part of the Starwood Hotel Group and offers luxurious amenities to residents and guests.

The three units we own in this Condo-tel allow us to benefit from both short-term and longer stay tenants and a more attractive rental rate than what obtains in our other properties. The property is located in Las Olas and is a stone's throw from the beach attracting a pool of holidaymakers year-round due to the warm Florida climate.



Opera Tower, Downtown Miami

Opera Tower, is a 55-floor condominium high-rise building located in what is known as the Media and Entertainment district in Miami. The property is in close vicinity to the American Airlines Centre and the Miami Arts Museum as well as the Margaret Pace Park. Three units were acquired in this building in April 2016 with a three-year guaranteed lease and a waiver of HOAs over the life of the leases, two of which have been renewed.



Red Hills Road Office/Warehouse Complex

The Office and Warehouse complex on Red Hills Road in Jamaica continues to be the flagship property in our portfolio in terms of yield and individual share of rental income. We have longstanding tenants who form a diverse base of businesses and sizes. The property ended 2017 being fully tenanted as one of our existing tenants requested additional space. However, occupancy is currently at 91% due to a single space being vacant. The building's proximity to Half Way Tree Road in Kingston remains one of the

main drivers for the strong occupancy of this office and warehouse space.

Spanish Town Road Commercial Complex

In January 2017 we completed the acquisition of an office and warehouse complex on Spanish Town Road. The property is leased to operators of manufacturing, distribution and logistics businesses that have operated



Jamaica for decades in the same location. The property is located along a corridor slated for continued infrastructure development which we believe will continue to greatly improve the property's value in the medium to long term.



Grenada Crescent Office Building

In November 2018 we acquired a multi-story office building in New Kingston, Jamaica that was fully tenanted with a mix of tenants ranging from law and BPO firms, government offices and company operating in the travel industry. There is a plan currently to conduct extensive renovations to the building for long-term lease.

Cayman Islands Tropic Centre One

This is a fully tenanted, mixed-use building located in the West Bay Beach South area in the Cayman Islands. The building comprises offices, retail outlets and residences along the famous Seven Mile Beach corridor, an area that has seen significant infrastructure improvements, as well as new luxury resort and condominium developments over the last four years.



Part 3 - ECONOMIC OVERVIEW

Set out below is a brief overview of the economies in which the Group has properties, and which provides important context for its business operations. This information is derived from public sources and credible media reports, and reference is also made to the footnotes set out below.

US Economy

US Economy
expanded by
2.9%
in 2019

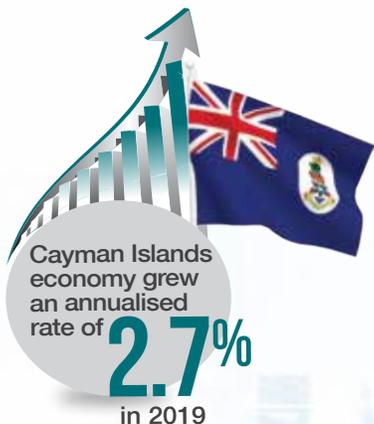
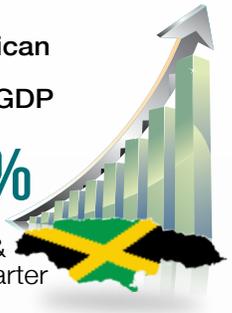


The US economy grew by 3.1% and 2% in the first and second quarter of the year respectively and is expected to grow by 2% in 2019¹. This represents a decrease on the outturn for 2018 when the economy grew by 2.9%. Non-farm payrolls continued to expand in 2019, with the economy adding an average of approximately 157,000 jobs per month over the last 3 months² resulting in the reduction of the unemployment rate to 3.5% by the end of September 2019³. The US Federal Reserve reported the benchmark Fed Funds rate at 2% as at October 22, 2019⁴. Furthermore, the on-going trade dispute with China continues to add some measure of uncertainty in the US economy, which has fuelled higher levels of volatility in the securities markets so far this year and has negatively affected some asset prices.

Jamaican Economy

The Jamaican economy recorded GDP growth of 1.8% and 1.3% in the first and second quarter of 2019 respectively. The calendar year inflation rate stands at 3.7% as at September 2019⁵. This increase occurred along with a consistent depreciation in the value of the JMD against the USD for the nine-month period with the average weighted selling rate of the Jamaican dollar ending the month of September 2019 at J\$136.69:US\$1⁶. The unemployment rate continued its downward trajectory to a rate of 7.8% in July 2019 according to data provided by STATIN compared with 8.4% in July 2018. Interest rates remained low and benchmark interest rates marked eight consecutive years in single digit territory. The Government continues its commitment to fiscal prudence resulting in further reductions in key ratios such as Debt:GDP as well as our fiscal account balances. These all point to continued stability in the Jamaican economy and the establishment of a platform for increased growth. GDP growth in Jamaica is projected at 2% for 2019 and the Real Estate sector is expected to move in tandem primarily through the thrust in housing and the decline in unemployment and interest rates.

The Jamaican
economy
recorded GDP
growth up
1.8%
to the first &
second quarter
of 2019



Cayman Islands Economy

For 2018, the Cayman Islands economy grew in real terms at an annualised rate of 3.3% and it is expected to grow by 2.7% in 2019⁷. Hotels and restaurants, construction and transportation services primarily led the expansion. The financing and insurance services sectors remain the largest contributor to GDP.

¹ <https://www.bea.gov/data/gdp/gross-domestic-product>

² <https://tradingeconomics.com/united-states/non-farm-payrolls>

³ <https://www.bls.gov/news.release/empsit.nr0.htm>

⁴ <https://www.bankrate.com/rates/interest-rates/federal-funds-rate.aspx>

⁵ <https://statinja.gov.jm/>

⁶ http://boj.org.jm/foreign_exchange/fx_rates_monthly.php

⁷ <https://tradingeconomics.com/cayman-islands/gdp-growth-annual>

The unemployment rate as the end of 2018 stood at 2.8%, the lowest for the Cayman Islands since Fall 2006 when it was 2.6%⁸. The number of work permits issued saw a year on year increase in 2018 to 25,870 permits⁹ which signals improvement in the level of economic activities.

Benchmark interest rates deviated from the trend seen in recent years and has fallen to 5% p.a. as at September 2019 from 5.25% p.a. the previous year¹⁰.

The Cayman Islands is a country with a per capita GDP of nearly USD65,472 in 2017 (with international ratings agency Moody's estimating it at US\$90,000 for 2019) and is one of the leading financial centres of the world, offering a tax free environment with no property, income, corporation or capital gains taxes¹¹. Moody's affirms it at a traditionally strong Aa3 rating and given the quality of its banking and finance sector along with its tourism sector, we anticipate that a positive outlook will be maintained for the country for the foreseeable future. GDP growth in the Cayman Islands is expected to be 2.6% on average. Major projects are expected to proceed including the cruise ship port expansion¹².

REAL ESTATE MARKET OVERVIEW

South Florida

The Miami-Dade condominium and townhouse market saw a decrease of 8.7% in the second quarter of 2019 with a reported \$1.6 billion in sales, state-wide closed sales totalled 34,128 during the second quarter of 2019, down 1.4% compared to the previous period in 2018.¹³ According to the Miami Association of Realtors, however, September's statewide median price for condo-townhouse units was \$193,000, up 5.8% over the year-ago figure and at the current sales pace, the number of active listings represents 13 months of inventory for condominiums, compared to the 13.7 months of supply registered in 2018.¹⁴

⁸ <https://www.eso.ky/#3>

⁹ <https://www.caymancompass.com/2018/02/07/cayman-closes-in-on-26000-work-permits/>

¹⁰ http://www.ky.butterfieldgroup.com/Personal/Treasury_Services/Pages/PrimeRatesHistory.aspx

¹¹ <http://data.un.org/Data.aspx?q=Cayman&d=SNAAMA&f=grID%3A101%3BcurrID%3AUSD%3BpcFlag%3A1%3BcrID%3A136>

¹² https://www.moodys.com/research/Moodys-affirms-theCayman-Islands-Aa3-rating-maintains-stable-outlook-PR_396945

¹³ <https://www.worldpropertyjournal.com/real-estate-news/united-states/miami-beach/miami-real-estate-news-miami-association-of-realtors-miami-dade-county-existing-home-sales-data-for-2019-miami-condo-sales-report-jose-maria-serrano-11533.php>

Jamaican Real Estate Market

Jamaica's real estate market saw a slight uptick in 2018 and so far in 2019. The Real Estate Renting & Business Activities sector according to STATIN registered growth of 0.8% year on year as at May 2019.¹⁵¹⁶ The Construction sector, which includes both residential and non-residential projects, saw a 3.5% improvement as at the same reporting period. With the maintenance of low benchmark interest rates, we anticipate further reductions in key lending rates to spur demand for housing as well as commercial spaces. The main areas of demand remain in the provision of office spaces to satisfy the needs of the burgeoning Business Process Outsourcing (BPO) sector and warehouse spaces to meet the demand by players in the distribution and manufacturing sectors. The reduction by the government of real estate transaction taxes and fees augur well for increased market activity and should buoy real estate prices to higher levels.

Cayman Islands Real Estate Market

According to a review by surveyors Charterland¹⁷, there were 1,857 property transfers in 2018, a 9-percent increase on the year before, and the total value of those sales was just over \$800 million, up 18 percent from \$679 million the previous year. However, the report shows there were fewer sales of Seven Mile Beach condos than in previous years, but the total value – an average of \$1.3 million for the 101 sales of beachfront condos – was up significantly.

This would indicate that the decrease in the number of sales is as a result in a lack of inventory rather than diminishing demand. Activity remains robust and average property values continued their fifth year of year on year increase. During the year, the number and value of building permits in the Apartments, Government Projects and Other Building Intentions category saw bullish year on year increases¹⁸.

¹⁴ <http://www.miamirealtors.com/news/news/releases/miami-news/2019/10/22/miami-single-family-homes-condo-sales-surge-in-september>

¹⁵ <https://www.globalpropertyguide.com/Caribbean/Jamaica/Price-History>

¹⁶ <https://statinja.gov.jm/>

¹⁷ <http://www.charterland.ky/wp-content/uploads/2019/03/CPR-charterland-2018-web-final.pdf>

¹⁸ <http://www.charterland.ky/wp-content/uploads/2019/03/CPR-charterland-2018-web-final.pdf>

SUMMARY

The Group acquired a multi-story office building in New Kingston, Jamaica of approximately 32,000 square feet in October 2018 and is undertaking plans to renovate and upgrade the building while introducing efficient techniques in the maintenance of the property.

The transitioning taking place with our US portfolio will continue as we capitalize on the gains that have been made on some of the units in the portfolio and divert those proceeds to further build shareholder value in other properties, while also reducing the Group's debt. We anticipate a moderating of benchmark US interest rates and possibly further rate cuts in 2019. US GDP is also expected to moderate in 2019 into 2020, which augers well for the maintenance of low interest rates for the foreseeable future and stability in property prices. We remain bullish on the property markets in both the Cayman Islands and Jamaica with growth rates in Cayman projected to range between 3- 3.5% and 2.0% in Jamaica. With the acquisition of the New Kingston property, our holdings in both Jamaica and the Cayman Islands represent approximately two-thirds of our total property portfolio and we expect both to generate more than 70% of total revenue in 2019.

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



12. Risk Exposures & RISK MANAGEMENT STRATEGIES

The Board of Directors maintains a strong focus on risk in the operations of the business, as ultimately there is an impact on overall shareholder value. Real Estate investment entities are subject to various types of risks, which may directly or indirectly affect the operations of the Group with varying levels of materiality.

Risks associated with the specific property as well as sector and geographic risks have an impact on the performance of the Group and the Group's shares. Diversification by property type and geography is one of the strategies that the Group pursues to effectively manage its real estate risk. Our real estate investments are not only geographically diversified, but are also diversified by segment (i.e. office buildings, warehouses, residential) and comprise a diverse mix of tenants. Additionally, we focus on ensuring proper due diligence when making acquisitions, focusing on the local market, characteristics of the properties, credit quality of the underlying tenant base and the capital structure of the transaction.

Economic risks

Adverse economic conditions and dislocations in the credit markets could have a material effect on our results of operations, financial condition and ability to pay distributions to our shareholders. Our business may be affected by market and economic challenges experienced by the economy or real estate industry, including the impact of high unemployment and by a sudden down turn in international economic conditions. These conditions, or similar conditions existing in the future, may adversely affect our results of operations. These include, but are not limited to:

- the financial condition of our tenants may be adversely affected, which may result in tenant defaults under leases due to bankruptcy, lack of liquidity, operational failures or for other reasons;
- our ability to borrow on terms and conditions that we find acceptable, or at all, may be limited, which could reduce our ability to pursue acquisition and development opportunities, reducing our returns from our acquisition and development activities and increasing our future interest expense;
- reduced values of our properties may limit our ability to dispose of assets at attractive prices or to obtain debt financing secured by our properties and may reduce the availability of unsecured loans.

Asset and Industry Risks

The value of our real estate assets and the financial performance of those assets, and consequently the value of our shares, are subject to the risk that if our properties do not generate sufficient revenues to meet our operating expenses, including debt service and capital expenditures, then our cash flow and ability to pay distributions to our shareholders will be adversely affected. The following factors, among others, may adversely affect the income generated by our properties:

- downturns in the economic conditions of the markets in which we own properties, such as declines in GDP and employment levels;
- changes in interest rates and availability of financing;
- competition from other office, retail and residential buildings;
- real estate market conditions, such as oversupply or reduction in demand for office, retail or residential space in the markets in which we operate or intend to operate;
- vacancies, changes in market rental rates and the need to periodically repair, renovate and re-let space;
- changes in space utilization by our tenants due to technology, economic conditions and business culture;

- increased operating costs, including insurance expense, utilities, real estate taxes, state and local taxes and heightened security costs;
- significant expenditures associated with each investment, such as debt service payments, real estate taxes, insurance and maintenance costs which are generally not reduced when circumstances cause a reduction in revenues from a property;
- civil disturbances, earthquakes and other natural disasters or terrorist acts or acts of war which may result in uninsured or underinsured losses or decrease the desirability to our tenants in impacted locations;
- declines in the financial condition of our tenants and our ability to collect rents from our tenants; and,
- decreases in the underlying value of our real estate.

Acquisition Risks

There are risks associated with property acquisitions. We have acquired in the past and intend to continue to pursue the acquisition of properties and portfolios of properties, including portfolios that could increase our size and result in alterations to our capital structure. Our acquisition activities and our successes are subject to the following risks:

- even if we enter into an acquisition agreement for a property, we may be unable to complete that acquisition after making a non-refundable deposit and incurring certain other acquisition- related costs;
- we may be unable to obtain or assume financing for acquisitions on favourable terms, or at all;
- acquired properties may fail to perform as expected;
- the actual costs of repositioning, redeveloping or maintaining acquired properties may be greater than estimated;
- the acquisition agreement will likely contain conditions to closing, including completion of due diligence investigations to our satisfaction or other conditions that are not within our control, which may not be satisfied;
- acquired properties may be located in new markets, either within or outside the Jamaica, where we may face risks associated with a lack of market knowledge or understanding of the local economy, lack of business relationships in the area and unfamiliarity with local governmental and permitting procedures;
- we may acquire real estate through the acquisition of the ownership entity subjecting us to the risks of that entity; and
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations, and this could have an adverse effect on our results of operations and financial condition.

- we may acquire properties subject to liabilities and without any recourse, or with only limited recourse, against the prior owners or other third parties with respect to unknown liabilities. As a result, if a liability were asserted against us based upon ownership of those properties, we might have to pay substantial sums to settle or contest it, which could adversely affect our results of operations and cash flow. Unknown liabilities with respect to acquired properties might include:
 - liabilities for clean-up of undisclosed environmental contamination;
 - claims by tenants, vendors or other persons against the former owners of the properties;
 - liabilities incurred in the ordinary course of business; and,
- we may be unable to acquire a desired property because of competition from other well-capitalized real estate investors, including publicly traded and private **REITs**, institutional investment funds and other real estate investors; and even if we are able to acquire a desired property, competition from other real estate investors may significantly increase the purchase price.

Re-Letting and Tenant Risk

We derive most of our income from rent received from our tenants and we face potential difficulties or delays renewing leases or re-leasing space. If a tenant experiences a downturn in its business or other types of financial distress, it may be unable to make timely rental payments. Also, when our tenants decide not to renew their leases or terminate early, we may not be able to re-let the space on a timely basis, or at all. Even if tenants decide to renew or lease new space, the terms of renewals or new leases, including the cost of required renovations or concessions to tenants, may be less favourable to us than current lease terms. As a result, our cash flow could decrease and our ability to make dividend payments to our shareholders could be adversely affected.

The bankruptcy or insolvency of a major tenant may adversely affect the income produced by our properties. Some of our tenants may file for bankruptcy protection or become insolvent in the future. A bankrupt tenant may reject and terminate its lease with us. In such case, our claim against the bankrupt tenant for unpaid and future rent might be subject to a statutory cap that might be substantially less than the remaining rent actually owed under the lease, and, even so, our claim for unpaid rent would likely not be paid in full. This shortfall could adversely affect our cash flow and results of operations.

Resale Risk

We may have difficulty selling our properties, which may limit our flexibility. Properties like the ones that we own may be difficult to sell. This may limit our ability to change our portfolio promptly in response to changes in economic or other conditions. In addition, applicable laws may limit our ability to sell properties and this may affect our ability to sell properties without adversely affecting returns to our shareholders. These restrictions reduce our ability to respond to changes in the performance of our investments and could adversely affect our financial condition and results of operations.

Contingent or Counterparty Risks

The action or actions of property owners or tenants of adjoining properties may have an impact on the viability of our assets and limit our ability to earn and ultimately make distributions to shareholders. These actions could lead to a decline in the value of the real estate limiting our ability for re-sale or result in reduced market prices.

Currency Exchange Risk

We may be subject to risks from potential fluctuations in exchange rates between the Jamaican dollar and the currencies of the other countries in which we invest. If we invest in countries where the Jamaican dollar is not the national currency, we will be subject to international currency risks from the potential fluctuations in exchange rates between the U.S. dollar and the currencies of those other countries. A significant depreciation in the value of the currency of one or more countries where we have significant investments may materially affect our results of operations. We may attempt to mitigate any such effects by borrowing in the currency of the country in which we are investing. We cannot assure our stockholders, however, that our efforts will successfully neutralize all international currency risks.

Debt and Re-financing Risk

There are some typical risks associated with debt financing, such as mortgaging a property to secure payment of indebtedness and not being able to meet the debt service obligations. A lender may take enforcement steps which could adversely affect our cash flow and, consequently, the amount available for dividends to shareholders.

Leverage Risk

Our degree of leverage could affect our ability to obtain additional financing for working capital, capital expenditures, acquisitions, development or other general corporate purposes. Our degree of leverage could also make us more vulnerable to a downturn in business or the economy generally. These could affect the market price of our shares.

Insurance Risk

Insurance costs and policy deductibles expose us to unpredictable expenses which may be material. The Group maintains general liability and property insurance policies with coverage considered prudent by the Group's management. Management also monitors on an ongoing basis the level of coverage in place according to standards of prudence and to guard against significant exposure to liability and loss. The potential exists that insurance cover in place for the benefit of the Group may be inadequate and/or claims may not be paid, and in either such event the Group may suffer loss and/or be exposed to third party claims, affecting the results of the Group's operations and profitability.

Market Risk

Changes in market conditions could adversely affect the market price of our stock units. As with other publicly traded equity securities, the value of the Group's ordinary shares depends on various market conditions that may change from time to time. Among the market conditions that may affect the value of our ordinary shares are the following:

- the extent of investor interest in our ordinary shares;
- the general reputation of “REIT”- like entities and the attractiveness of our ordinary shares in comparison to other equity securities, including securities issued by other real estate-based companies;
- our underlying asset value;
- investor confidence in the stock and bond markets, generally;
- national economic conditions;
- changes in tax laws and government policies;
- our financial performance;
- Given the low level of liquidity of the local stock market in part due to the low level stock ownership penetration, trading in shares may occur less frequently than desired. Additionally, given that the principal owners of shares tend to be institutional investors, the level of trading activity may be diminished.
- general stock and bond market conditions.

The market value of our ordinary shares is based primarily upon the market's perception of our growth potential and our current and potential future earnings and cash dividends. Consequently, our ordinary shares may trade at prices that are greater or less than our net asset value per share of common stock. If our future earnings or cash dividends are less than expected, it is likely that the market price of our ordinary shares will decline.

13. Other Risk Factors

REGULATORY UNCERTAINTIES

Changes in existing regulatory requirements or the introduction of new regulations, whether in Jamaica or overseas, may affect **KPREIT's** operations and affect its profitability.

SHARE PRICE VOLATILITY

The New Shares, if listed on the JSE as intended, may experience significant volatility in price, which may extend beyond the short term and which may be dependent on **KPREIT's** performance, the annual dividend yield of **KPREIT's** ordinary shares compared to other investment opportunities, investors' confidence and other factors over which **KPREIT** has no control.

ISSUE OF ADDITIONAL SHARES

The Directors of the Company may hereafter authorize the issue of additional ordinary shares in the Company. Such shares, once issued, may rank pari passu with the existing ordinary shares and may be listed on the JSE or on any other stock exchange(s). Additional shares so issued could affect the market price of the New Shares currently being offered.

AVAILABILITY OF **KPREIT'S** ORDINARY SHARES FOR PURCHASE

The market price of **KPREIT'S** ordinary shares could decline as a result of sales of a large number of shares in the market or the perception that such sales could occur, or as a result of any sale of shares by any of the Company's existing shareholders from time to time.

PAYMENT OF DIVIDENDS

The payment of dividends on the New Shares will be primarily dependent on **KPREIT's** future profitability, and will be at the discretion of the Directors.

MACRO-ECONOMIC POLICIES

Changes in fiscal and monetary policies by the Government of Jamaica or of any jurisdiction in which the Company has made investments may create opportunities as well as challenges for **KPREIT**.

NEW ACCOUNTING RULES OR STANDARDS

KPREIT may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require changes in the way **KPREIT** reports its financial position, operating results or cash flows. Such changes could be applied retrospectively.

RISKS ASSOCIATED WITH INTERNATIONAL CONDITIONS

KPREIT's financial results may be adversely affected by international risks, such as:

- international political and economic conditions;
- changes in Government regulations in various countries;
- trade barriers;
- adverse tax consequences

14. Documents Available FOR INSPECTION

Copies of the following documents will be available for inspection on any Business Day during the hours of 9:00 am to 4:00 pm, at the offices of the Lead Broker set out in Section 7.

- (i) the Articles of Incorporation of **KPREIT**;
- (ii) the Consolidated Audited Financial Statements for the Company for the financial years ending December 31, 2018, 2017, 2016; 2015 and 2014. These financial statements are also available on the website of the Jamaica Stock Exchange (www.jamstockex.com) and on the Company's website (www.kpreit.com).



15. *Consents & Statutory* & GENERAL INFORMATION

KPMG has given, and not withdrawn, its consent to the inclusion of reference to its report and the references to its name in the form and context in which they are included in this Circular.

The Company has distributed this Circular only to the Existing Shareholders of the Company, and accordingly under Section 41 (6) of the Companies Act, the Company is exempt from the requirements to state the matters specified in Part I of the Third Schedule of the Companies Act and to set out the reports specified in Part II of the Third Schedule of the Companies Act.

As at the date hereof, the Company is not involved as a party in any material pending or threatened litigation, nor is it aware of any circumstances which may reasonably give rise to any such claims.

Set out below are tables showing (a) a list of the top ten shareholders (arranged in order of size) and (b) the interest of the Company's Directors in the issued shares of the Company as at October 2, 2019, being the latest practicable date before the issuing of this Circular:

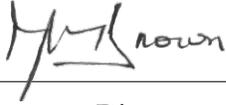
TOP TEN SHAREHOLDERS

SHAREHOLDER	# OF SHARES
VMWEALTH PROPERTY FUND	78,290,148
PRIME ASSET MANAGEMENT JPS EMPLOYEES SUPERANNUATION FUND	73,535,400
PLATOON LIMITED (GARFIELD "GARRY" SINCLAIR)	30,018,806
NATIONAL INSURANCE FUND	27,142,856
GUARDIAN LIFE SHELTER PLUS FUND	20,680,000
GUARDIAN LIFE POOLED PENSION FUND	10,000,000
NCB INSURANCE CO. LTD A/C WT109	7,167,825
UWI MONA NON FSSU STAFF PENSION PLAN	6,848,000
MF&G TRUST & FINANCE LTD - A/C 57	5,782,000
DIGICEL JAMAICA LTD. PENSION SCHEME	4,860,000
	TOTAL 264,325,035

INTEREST OF DIRECTORS

DIRECTOR	# OF SHARES
LISA GOMES	459,460
NICOLE L. FOGA	245,730
PETER JONATHAN REID	2,200,000
PLATOON LIMITED (GARFIELD "GARRY" SINCLAIR)	30,018,806
GLADSTONE LEWARS	NIL
MEGHON MILLER-BROWN	NIL
	TOTAL 32,923,996

Signed on behalf of Kingston Properties Limited by the below - mentioned Directors on their own behalf and as duly authorized agents for the remaining Directors of Kingston Properties Limited, dated as of the 4th day of November, 2019.



Director:



Director:



16. Appendix 1:

APPLICATION PROCEDURES

1. You may apply for New Shares in the Offer by means of the appropriate Application Form enclosed with this Circular or available for download on www.kpreit.com or www.jamstockex.com or www.vmwealth.vmb.com. This Circular has been issued only to Existing Shareholders, (i.e., ordinary shareholder(s) in the Company as recorded on the share registry records of the Company as at the Record Date). However, Applicants may, if they so elect, renounce the provisional allotment of some or all of the New Shares allocated to that Applicant in the Offer, in favour of one or more Renounees in the manner set out in paragraph 7 hereof and in the Application Form, and such Renounees shall, if they wish to take up some or all of the New Shares renounced, complete the appropriate sections of the Application Form. Your duly completed and signed Application Form should be delivered to one of the VM locations in Appendix 5 on or before 4:00 pm local time on the Closing Date.
2. Additionally, Existing Shareholders may, if desired, submit Applications for an amount of New Shares that is in excess of the amount provisionally allotted to them, having regard to the number of Existing Shares held by them as at the Record Date. In such event, the Existing Shareholder shall be treated as (a) having taken up their entire provisional allotment, and (b) having requested the Directors to issue and allot to them from the Surplus New Shares Pool such additional New Shares in excess of their provisional allotment as is indicated in the Application. Additional New Shares from the Surplus New Shares Pool as are available to be allotted to these Applicants shall be allocated, in the case of oversubscription, on a pro-rata basis by allocating the number of Surplus New Shares available among Existing Shareholders in proportion to their application for Surplus New Shares.

By way of illustration, if there are 5,000 Surplus New Shares in the Surplus New Share Pool and Existing Shareholder X (“X”) applies for 2,000 Surplus New Shares and Existing Shareholder Y (“Y”) applies for 8,000 Surplus New Shares, each person’s allotment will be reduced proportionately, based on (i) the number of Surplus New Shares applied for, and (ii) the number of available Surplus New Shares. In such event, as the number of Surplus New Shares applied for is twice the number available, X and Y will each be allocated half of the number of Surplus New Shares applied for.

3. The full amount payable for the New Shares for which you are applying (being the number of New Shares, multiplied by the Subscription Price of J\$5.62 per New Share) must be paid using one of the following Approved Payment Methods:

- (i) By Real Time Gross Settlement System (“RTGS System”) or via the Automated Clearing House (“ACH”) to the Lead Broker, using the following information. Evidence of such payment must be included on the second page of the completed and signed Application Form:

VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED

Bank of Jamaica account # 1015 BIC#: JNCBJMKXC;

Beneficiary: National Commercial Bank, 1-7 Knutsford Boulevard, Kingston 5

for further credit to Victoria Mutual Wealth Management Limited A/C # 351171960

(Please include the applicant’s name in the transaction details of the RTGS/ACH transfer)

- (ii) Applicants who have an investment account with the Lead Broker may submit to them written instructions (in such form as determined by the Lead Broker) authorizing the Lead Broker to apply available funds standing to the credit of such Applicant against the Subscription Price payable in respect of their application for New Shares.

(iii) Payment may also be made via a J\$ Manager's Cheque drawn on a Jamaican commercial bank and made payable to the Lead Broker (for this Rights Issue, "**Victoria Mutual Wealth Management Limited**") in respect of payment of sums under **J\$1,000,000**.

4. The Directors of **KPREIT** in their sole discretion may accept (in whole or in part) or reject any Application, even if the Application is received, validated and processed. The acceptance may be in respect of the whole or any part of the Application and, accordingly, the allocated number of New Shares may be less than the amount specified in the Application Form. The New Shares may be allocated and issued to Applicants on a basis determined by the Directors in their sole discretion.
5. The acceptance (in whole or in part) by **KPREIT** of an Application for New Shares will result in a binding contract for the Applicant's subscription, at the Subscription Price, for the number of New Shares in respect of which the Application has been accepted, (or, where applicable, mutatis mutandis, with the person(s) in favour of whom the Applicant has renounced, to the extent of such renunciation).
6. The Directors, in consultation with the Arranger and Lead Broker, may cancel this Offer prior to the Closing Date stated herein, or may extend the Closing Date to a date beyond the date stated herein. Notice will be given of any such event by a notice published on the JSE's website at www.jamstockex.com and on the website for the Company and the Lead Broker at www.kpreit.com and www.vmwwealth.vmbs.com respectively, and in a daily newspaper having islandwide circulation.
7. Each Existing Shareholder may elect, by the appropriate completing and signing of the relevant sections of the Application Form enclosed with this Circular, to direct the Company that they are irrevocably renouncing their entire provisional allotment of New Shares (or such portion of those New Shares as is specified by the Existing Shareholder in the Application Form) in favour of one or more persons specified in the Application Form, to be apportioned among such persons as stated in the Application Form. The person(s) to whom the Applicant so renounces may, but need not be, an Existing Shareholder of the Company (as defined herein). In the event that the Existing Shareholder so renounces, the New Shares which are the subject of the renunciation (or some of them, in the event such New Shares represent New Shares in excess of the Applicant's entitlement pursuant to the Offer and the Directors elect only to issue some but not all of the additional New Shares applied for) shall be allotted and issued by the Company in the name of the person(s) in favour of whom the Existing Shareholder has renounced, and such person(s) shall be irrevocably obliged to accept such allotment provided they also complete and submit a valid Application.
8. In respect of each Application which is accepted in whole or in part by **KPREIT**, **KPREIT** will issue a letter(s) of allotment in the name of that Applicant (or in the joint names of joint Applicants), or in the name of the person(s) in whose favour the Applicant has renounced as provided in the preceding paragraph 6, for the number of New Shares allotted to the Applicant and/or to such person(s). The letters of allotment will be sent to the Lead Broker through which the corresponding Application was received, who will distribute same (if by mail, at the Applicant's and/or such person's risk) to the Applicant. The letters of allotment are not assignable or otherwise transferable.

9. Refunds to Applicants whose Applications are not accepted in whole or in part will be sent to their broker who will distribute same to the account of the applicant. Letters of allotment and refund amounts (if applicable) will be dispatched to Applicants within ten (10) days after the Closing Date.
10. If the New Shares are listed on the Jamaica Stock Exchange, the New Shares issued pursuant to the Offer will be deposited at the JCSD for the credit of the accounts of the successful Applicants. If the application to list the New Shares on the Jamaica Stock Exchange is not successful, a share certificate comprising the New Shares issued to each successful Applicant will be sent to such Applicant within thirty (30) days after the Offer closes or as soon thereafter as practicable.
11. Letters of allotment and share certificates (where applicable), if mailed by the Lead Broker on behalf of **KPREIT** (as the case may be) through the post to the address of the Applicant (or of the first-named joint Applicant) or to the person(s) in whose favour the Applicant has renounced, as stated in the Application Form, are at the risk of the Applicant or such person (as the case may be).
12. Application Forms (except insofar as provided herein at paragraph 6) and letters of allotment are not renounceable, transferable or assignable.

17. APPENDIX 2: INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

IF YOU ARE....	APPLICATION FORM TO COMPLETE
(1) AN EXISTING SHAREHOLDER – TAKING UP ENTIRE ALLOCATION/APPLYING FOR EXCESS SHARES	APPENDIX 3, SECTION A1 & B & C
(2) AN EXISTING SHAREHOLDER – RENOUNCING WHOLE	APPENDIX 3, SECTION A2 & B ONLY
RENOUNCING PART	APPENDIX 3, SECTION A2 & B & C
(3) A RENOUNCEE	APPENDIX 4, SECTION A & B & C

1. If you are applying jointly with another person, you must complete the Joint Holder Information and each joint holder **must** sign the Application Form in the place indicated.
2. All Applicants applying as Primary Holders must be at least 18 years old and must attach a certified copy of their T.R.N. card or Jamaican Driver's Licence displaying the T.R.N. Minor applicants may submit an Application jointly with an adult, where the adult is the Primary Holder.
3. The New Shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository ("JCSD"). If the applicant does not have a JCSD account, one will be created by your broker and the allotted New Shares deposited to that account.
4. By submitting this Application, all Applicants are deemed to have accepted the terms and conditions set out in the Circular and the Articles of Incorporation of the Company generally.

18. APPENDIX 3: APPLICATION FORM – EXISTING SHAREHOLDERS



SECTION A-APPLICANT TYPE

TO: KINGSTON PROPERTIES LIMITED

(1) EXISTING SHAREHOLDER – Taking Up Entire Allocation/Applying For Excess Shares

To be completed by existing shareholder who is **NOT** renouncing any portion of their provisional allotment

I/We hereby apply for _____ **New Shares** at a price of J\$5.62 plus total JCSD processing fee of J\$163.10. I/We agree to pay the total sum of J\$ _____ on and subject to the terms and conditions of the Circular, and I/We attach a banker's draft drawn on a Jamaican commercial bank and made payable to **“VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED”** for such total price OR where applicable, proof of payment to **VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED** made using an Approved Payment Method. I/We confirm that I/we have read and understood and hereby agree to be bound by the terms and conditions contained in the Circular, all of which are incorporated into this Application Form by reference. Capitalized words and expressions used herein shall bear the same meanings as are ascribed thereto in the Circular. I/We agree to accept the above or any smaller number of New Shares in respect of which this Application may be accepted, subject to the terms and conditions in the Circular and the Articles of Incorporation of Kingston Properties Limited, by which I/We agree to be bound. I/We request you to issue to me/us the number of New Shares which may be allocated to me/us at the close of the Offer upon the terms and conditions governing applications, as set forth in the Circular. I/We hereby agree to accept the New Shares that may be allocated and issued to me/us.

(2) EXISTING SHAREHOLDER – Renouncing Part or Whole

To be completed only where applicant is wholly or partially renouncing

I/We hereby apply for _____ **New Shares** at a price of J\$5.62 plus total JCSD processing fee of J\$163.10. I/We agree to pay the total sum of J\$ _____ on and subject to the terms and conditions of the Circular, and I/We attach a banker's draft drawn on a Jamaican commercial bank and made payable to **“VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED”** for such total price OR where applicable, proof of payment to **VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED** made using an Approved Payment Method. I/We confirm that I/we have read and understood and hereby agree to be bound by the terms and conditions contained in the Circular, all of which are incorporated into this Application Form by reference. Capitalized words and expressions used herein shall bear the same meanings as are ascribed thereto in the Circular. I/We agree to accept the above or any smaller number of New Shares in respect of which this Application may be accepted, subject to the terms and conditions in the Circular and the Articles of Incorporation of Kingston Properties Limited, by which I/We agree to be bound. I/We request you to issue to me/us the number of New Shares which may be allocated to me/us at the close of the Offer upon the terms and conditions governing Applications, as set forth in the Circular. I/We hereby irrevocably agree to accept the New Shares that may be allocated and issued to me/us.

I/We hereby notify the Company that, in respect of the New Shares that may be provisionally allotted to me/us in the Offer arising from this Application, **I/we hereby irrevocably renounce my/our provisional allotment** to the extent of

New Shares in favour of the following person(s):

PRIMARY HOLDER FULL NAME	TRN	NUMBER OF SHARES ALLOTTED
	TOTAL	

SECTION B – ACCOUNT HOLDERS

PRIMARY HOLDER (Either Company or Individual)

Full Name: _____

Address: _____

Mailing address (if different): _____

E-mail Address: _____ PHONE#(S): _____

NATIONALITY: _____ DATE OF BIRTH (DD/MM/YYYY) _____

TRN #: - - - - - JCS D ACCOUNT #: - - - - - BROKER NAME & NO. _____

SIGNATURES:

Companies: _____ Director _____ Director/Secretary _____

_____ Date signatures affixed

Individual: _____ Applicant _____ Date signature affixed

COMPANIES AFFIX STAMP/SEAL BELOW:

FIRST JOINT HOLDER:

Full Name: _____

TRN #: - - - - - Signature: _____

SECOND JOINT HOLDER:

Full Name: _____

TRN #: - - - - - Signature: _____

THIRD JOINT HOLDER:

Full Name: _____

TRN #: - - - - - Signature: _____

SECTION C – PAYMENT DETAILS

APPROVED PAYMENT METHODS

All applicants must attach their payment for the specified number of New Shares they have applied for, in the form of either:

Manager's Cheque	Issued by any commercial bank operating in Jamaica made payable to Victoria Mutual Wealth Management Limited for an amount less than J\$1,000,000.00.
Authorization Letter	From the Applicant instructing Victoria Mutual Wealth Management Limited to make payment from cleared funds held in an investment account in the Applicant's Name
ACH/RTGS	Bank of Jamaica account # 1015; BIC#JNCBJMKXC; Beneficiary: National Commercial Bank, 1-7 Knutsford Boulevard, Kingston 5; for further credit to Victoria Mutual Wealth Management Limited A/C # 351171960
Online Transfer	Bank: National Commercial Bank; Branch: Knutsford Boulevard; Account Name: Victoria Mutual Wealth Management Limited; Account Number: 351171960

PAYMENT VERIFICATION INFORMATION

Please complete the relevant section/section(s) to confirm your payment method(s). If ACH/RTGS/ONLINE TRANSFER is used please email payment confirmation to ipo@myvmgroup.com. Subject: KPREIT RRI: Applicant's Name & TRN. Email/payment confirmation should include Sending Institution (Bank/Broker), Transaction Date, Amount, Reference No.

PAYMENT METHOD #1: **MANAGER'S CHEQUE** **ACH/RTGS** **ONLINE TRANSFER** **VMWM ACCOUNT**

CHEQUE #/ACH/RTGS/ONLINE TRANSFER #/VMWM A/C # _____

SENDING INSTITUTION (BANK/BROKER) _____

CHEQUE/PAYMENT DATE _____ AMOUNT J\$ _____

SENDER'S (PAYEE'S) NAME _____

SENDER'S (PAYEE'S) ACCOUNT NUMBER _____

PAYMENT METHOD #2: **MANAGER'S CHEQUE** **ACH/RTGS** **ONLINE TRANSFER** **VMWM ACCOUNT**

CHEQUE #/ACH/RTGS/ONLINE TRANSFER #/VMWM A/C # _____

SENDING INSTITUTION (BANK/BROKER) _____

CHEQUE/PAYMENT DATE _____ AMOUNT J\$ _____

SENDER'S (PAYEE'S) NAME _____

SENDER'S (PAYEE'S) ACCOUNT NUMBER _____

SECTION D – FOR USE BY LEAD BROKER ONLY

DATE RECEIVED _____ TIME RECEIVED _____ BRANCH RECEIVED _____

PAYMENT METHOD(S) **MANAGER'S CHEQUE** **ACH/RTGS** **ONLINE TRANSFER** **VMWM ACCOUNT**

PROOF OF PAYMENT(S) RECEIVED: YES DRIVER'S

LICENCE/TRN RECEIVED: YES

REVIEWED BY (NAME): _____

BROKER STAMP AND SIGNATURE:

19. APPENDIX 4: APPLICATION FORM – RENOUNCEE

KINGSTON PROPERTIES LIMITED



SECTION A – APPLICANT TYPE

TO: KINGSTON PROPERTIES LIMITED

RENOUNCEE

TO BE COMPLETED BY PERSON(S) IN FAVOUR OF WHOM AN EXISTING SHAREHOLDER IS RENOUNCING

I/We acknowledge the renunciation in my/our favour in respect of _____ **New Shares** from (Existing Primary Shareholder Name) _____ at a price of J\$5.62 plus total JCSD processing fee of J\$163.10. I/We agree to pay the total sum of J\$ _____ and I/We attach a banker's draft drawn on a Jamaican commercial bank and made payable to "VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED" for such total price OR where applicable, proof of payment to VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED made using an Approved Payment Method. I/We hereby agree to accept the above or any smaller number of New Shares as may be allotted and issued to me/us in respect of this Application, subject to the terms and conditions in the Circular, which I/we acknowledge I/we have read, and the Articles of Incorporation of Kingston Properties Limited, by which I/We agree to be bound. I/We request you to issue to me/us the number of New Shares which may be allocated to me/us at the close of the Offer as result of the above renunciation, upon the terms and conditions governing applications, as set forth in the Circular. I/We hereby irrevocably agree to accept the New Shares that may be allocated and issued to me/us.

SECTION B – ACCOUNT HOLDERS

PRIMARY HOLDER (Either Company or Individual)

Full Name: _____

Address: _____

Mailing address (if different): _____

E-mail Address: _____ PHONE#(S): _____

NATIONALITY: _____ DATE OF BIRTH (DD/MM/YYYY) _____

TRN #: _____ - _____ - _____ JCSD ACCOUNT #: _____ - _____ - _____ BROKER NAME & No. _____

SIGNATURES:

Companies: _____

Director

Director/Secretary

Date signatures affixed

Individual: _____

Applicant

Date signature affixed

COMPANIES AFFIX STAMP/SEAL BELOW:

FIRST JOINT HOLDER:

Full Name: _____

TRN #: - - _ _ _ _

Signature: _____

SECOND JOINT HOLDER:

Full Name: _____

TRN #: - - _ _ _ _

Signature: _____

THIRD JOINT HOLDER:

Full Name: _____

TRN #: - - _ _ _ _

Signature: _____

SECTION C – PAYMENT DETAILS**APPROVED PAYMENT METHODS**

All applicants must attach their payment for the specified number of New Shares they have applied for, in the form of either:

Manager's Cheque	Issued by any commercial bank operating in Jamaica made payable to Victoria Mutual Wealth Management Limited for an amount less than J\$1,000,000.00.
Authorization Letter	From the Applicant instructing Victoria Mutual Wealth Management Limited to make payment from cleared funds held in an investment account in the Applicant's Name
ACH/RTGS	Bank of Jamaica account # 1015; BIC#JNCBJMKXC; Beneficiary: National Commercial Bank, 1-7 Knutsford Boulevard, Kingston 5; for further credit to Victoria Mutual Wealth Management Limited A/C # 351171960
Online Transfer	Bank: National Commercial Bank; Branch: Knutsford Boulevard; Account Name: Victoria Mutual Wealth Management Limited; Account Number: 351171960

PAYMENT VERIFICATION INFORMATION

Please complete the relevant section/section(s) to confirm your payment method(s). If ACH/RTGS/ONLINE TRANSFER is used please email payment confirmation to ipo@myvmgroup.com. Subject: KPREIT RRI: Applicant’s Name & TRN. Email/payment confirmation should include Sending Institution (Bank/Broker), Transaction Date, Amount, Reference No.

PAYMENT METHOD #1: **MANAGER’S CHEQUE** **ACH/RTGS** **ONLINE TRANSFER** **VMWM ACCOUNT**

CHEQUE #/ACH/RTGS/ONLINE TRANSFER #/VMWM A/C# _____

SENDING INSTITUTION(BANK/BROKER) _____

CHEQUE/PAYMENT DATE _____ AMOUNT J\$ _____

SENDER’S (PAYEE’S) NAME _____

SENDER’S (PAYEE’S) ACCOUNT NUMBER _____

PAYMENT METHOD #2: **MANAGER’S CHEQUE** **ACH/RTGS** **ONLINE TRANSFER** **VMWM ACCOUNT**

CHEQUE #/ACH/RTGS/ONLINE TRANSFER #/VMWM A/C# _____

SENDING INSTITUTION(BANK/BROKER) _____

CHEQUE/PAYMENT DATE _____ AMOUNT J\$ _____

SENDER’S (PAYEE’S) NAME _____

SENDER’S (PAYEE’S) ACCOUNT NUMBER _____

SECTION D – FOR USE BY LEAD BROKER ONLY

DATE RECEIVED _____	TIME RECEIVED _____	BRANCH RECEIVED _____
PAYMENT METHOD(S) <input type="checkbox"/> MANAGER’S CHEQUE <input type="checkbox"/> ACH/RTGS <input type="checkbox"/> ONLINE TRANSFER <input type="checkbox"/> VMWM ACCOUNT		
PROOF OF PAYMENT(S) RECEIVED: <input type="checkbox"/> YES DRIVER’S LICENCE/TRN RECEIVED: <input type="checkbox"/> YES		BROKER STAMP AND SIGNATURE: <div style="border: 1px solid black; height: 100px; width: 100%; margin-top: 5px;"></div>
REVIEWED BY (NAME): _____		

20. APPENDIX 5: VM GROUP LOCATIONS

Kingston 8-10 Duke Street Kingston Tel: (876) 922-8627 Fax: (876) 922-6602	Half-Way-Tree 73-75 Half Way Tree Road Kingston 10 Tel: (876) 754-VMBS (8627) Fax: (876) 926-4604	New Kingston 53 Knutsford Boulevard Kingston 5 Tel: (876) 929-5406/929-5421 Fax: (876) 929-5489
Liguanea 115 Old Hope Road Kingston 6 Tel: (876) 927-7228/927-7294 Fax: (876) 977-4925	Papine University of Technology (UTECH) 237 Old Hope Road Kingston 6 Tel: 927-0792 Fax: (876) 702-4638	
Spanish Town 22 Oxford Road Spanish Town, St. Catherine Tel: (876) 984-2629 Fax: (876) 924-2634	Linstead 110 King Street Linstead, St. Catherine Tel: (876) 985-2177 Fax: (876) 985-2173	
Mandeville Shop #3 Manchester Shopping Centre Tel: (876) 962-1030-3 Fax: (876) 962-1088	May Pen 40 Main Street May Pen, Clarendon Tel: (876) 986-2245, 986-2250 Fax: (876) 986-2119	
Ocho Rios 7 Newlin Street Ocho Rios, St. Ann Tel: (876) 974-5412, 974-5935 Fax: (876) 974-7862	Falmouth 15 Market Street Falmouth, Trelawny Tel: (876) 954-3207 Fax: (876) 954-3728	
Montego Bay – Market Street 30-34 Market Street, Montego Bay, St. James Tel: (876) 952-3772- 6 / 952-5573-4 Fax:(876) 952-7515	Montego Bay - Fairview Unit 33, Fairview Shopping Complex, Bogue, Montego Bay, St James Tel: (876) 953-6813	
Santa Cruz 56 Main Street Santa Cruz, St. Elizabeth Tel: (876) 966-9948, 966-9957-8 Fax: (876) 966-9952	Savanna-la-Mar 123 Great George Street Savanna-la-mar, Westmoreland Tel: (876) 955-4940-1	

21. APPENDIX 6: HISTORICAL FINANCIAL INFORMATION



KPMG
Chartered Accountants
P.O. Box 76
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922-6640
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL INFORMATION

To the Board of Directors
KINGSTON PROPERTIES LIMITED

Opinion

The summary financial information set out in appendix VI page 62, which comprises the summary consolidated statements of financial position as at December 31, 2014, 2015, 2016, 2017 and 2018 and the summary consolidated income statements for each of the five years then ended, are derived from the audited consolidated financial statements of Kingston Properties Limited as at and for the years ended December 31, 2014, 2015, 2016, 2017 and 2018.

In our opinion, the summary financial information is consistent, in all material respects, with the audited financial statements, in accordance with the basis described in the notes to the summary financial information.

Summary Financial Information

The summary financial information does not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited financial statements of Kingston Properties Limited. Reading the summary financial information and our reports thereon, therefore, is not a substitute for reading the audited financial statements and our reports thereon. The summary financial information and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our reports on the audited financial statements.

The Audited Financial Statements and Our Reports Thereon

We expressed unmodified audit opinions on the audited financial statements in our reports dated February 26, 2015, February 25, 2016, February 27, 2017, February 28, 2018 and February 28, 2019.



INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL INFORMATION (CONTINUED)

To the Board of Directors
KINGSTON PROPERTIES LIMITED

The Audited Financial Statements and Our Reports Thereon (continued)

The reports dated February 26, 2015, February 25, 2016, February 27, 2017, February 26, 2018 and February 28, 2019 include the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

Management's Responsibility for the Summary Financial Information

Management is responsible for the preparation of the summary financial information, in accordance with the basis described in the notes to the summary financial information.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial information is consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".

A handwritten signature of the KPMG firm, written in blue ink.

Chartered Accountants
Kingston, Jamaica

November 4, 2019

Set out below is a summary of the key financial data extracted from the audited financial statements of the Company for each of the financial years ending December 31, 2014 through to December 31, 2018.

KINGSTON PROPERTIES LIMITED

Five Year Financial Summary

Consolidated Income Statement						
	2014	2015	2016	2017	2018	
Rental Income	108,048,742	108,368,868	130,457,378	196,322,267	204,076,777	
Operating Expenses	(56,822,625)	(100,902,850)	(98,264,169)	(124,325,694)	(132,878,322)	
Results of operating activities before other income	51,226,117	7,466,018	32,193,209	71,996,573	71,198,455	
Other Income/(expenses)	845,302	169,171,834	133,359,028	20,776,177	(47,170,670)	
Operating Profit	52,071,419	176,637,852	165,552,237	92,772,750	24,027,785	
Other Expenses	(4,057,182)	(32,850,000)	(1,369,727)	-	-	
Net Finance (Cost)/Income	(45,700,862)	(16,500,658)	53,788	(42,090,982)	(32,841,888)	
Pre-Tax Profit or Loss	2,313,375	127,287,194	164,236,298	50,681,768	(8,814,103)	
Income tax (charge)/credit	(3,450,340)	(21,865,656)	(34,317,258)	28,477,048	42,754,577	
Net Profit	(1,136,965)	105,421,538	129,919,040	79,158,816	33,940,474	
Foreign currency translation differences	45,057,651	30,177,442	60,949,209	(40,074,054)	31,945,470	
Total Comprehensive Income	43,920,686	135,598,980	190,868,249	39,084,762	65,885,944	
Net Profit per share (adj.)	0.00	0.33	0.40	0.25	0.11	
Consolidated Statement of Financial Position						
	2014	2015	2016	2017	2018	
Investment Properties	972,286,031	1,552,203,131	1,948,634,663	2,471,466,048	2,707,832,504	
Cash and Cash Equivalents	232,660,434	132,896,744	24,078,908	37,966,958	128,553,092	
Other Assets	213,532,111	44,453,497	184,894,984	46,563,234	78,241,295	
Total Assets	1,418,478,576	1,729,553,372	2,157,608,555	2,555,996,240	2,914,626,891	
Total Equity	851,933,073	1,585,038,775	1,726,184,541	1,739,448,116	1,779,870,688	
Loans Payable	486,351,708	-	273,977,851	704,625,570	1,064,223,749	
Deferred Tax Liabilities	52,754,848	78,179,077	115,477,805	78,403,796	32,176,308	
Other Liabilities	27,438,947	66,335,520	41,968,358	33,518,758	38,356,146	
Total Liabilities	566,545,503	144,514,597	431,424,014	816,548,124	1,134,756,203	
Total Liabilities and Equity	1,418,478,576	1,729,553,372	2,157,608,555	2,555,996,240	2,914,626,891	



Note to the Summary Financial Information For the years ended December 31, 2014 – December 31, 2018

Basis of preparation of the summary financial information

The summary financial information are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, for the years ended December 31, 2014 to December 31, 2018. The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- (a) the summary financial information include extract of significant items in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position in the audited financial statements;
- (b) information in the summary financial information agrees with the related information in the audited financial statements;
- (c) the summary financial statements contain the information from the audited financial statements dealing with matters having a pervasive or otherwise significant effect on the summarised financial statements.

22. APPENDIX 7: CONSENT OF AUDITORS



KPMG
Chartered Accountants
P.O. Box 76
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Kingston
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+1 (876) 922-6640
firmmail@kpmg.com.jm

November 4, 2019

The Board of Directors
Kingston Properties Limited
36-38 Red Hills Road
Kingston 19

Ladies and Gentlemen,

Kingston Properties Limited – Offering Circular 2019 Rights Issue

With respect to the offer made by Kingston Properties Limited for the sale of ordinary share units to existing shareholders, we hereby consent to the inclusion in the Offering Circular of our report on the summary consolidated financial information as at and for the years ended December 31, 2014 to December 31, 2018, reference to our auditors' report dated February 28, 2019 on the financial statements as at and for the year ended December 31, 2018, and to the references to our name in the form and context in which it is included in the Offering Circular.

We confirm that we have not withdrawn such consent before delivery of a copy of the Prospectus to the Financial Services Commission for registration.

This letter should not be regarded as in any way updating the aforementioned reports or representing that we performed any procedures subsequent to the date of such reports.

Yours faithfully,

A handwritten signature in blue ink that reads 'KPMG'.

NRC:NAW:SC:mas



KINGSTON PROPERTIES LIMITED

36-38 Red Hills Road, Kingston 10, Jamaica W.I.

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