



**KINGSTON
PROPERTIES
LIMITED**

ANNUAL REPORT 2024

"The Gateway to Global Real Estate Investing"



MISSION

Our **Mission** is to generate extraordinary returns for our shareholders through the acquisition, development, leasing and management of real estate, executed by our talented, committed team, in a socially and environmentally responsible way.



VISION

To be readily recognized as the pioneering **REIT** in the Caribbean known for creating exceptional and sustainable value for our stakeholders.



CORE VALUES

INTEGRITY:

Our word is our bond.

ACCOUNTABILITY:

We take responsibility for our actions and results, and place the interests of our stakeholders first.

RESULTS-DRIVEN:

We are focused on achieving success while pursuing excellence in everything we do.

INNOVATION:

We find new and better ways to solve problems and achieve results; we stretch beyond our perceived abilities to attain success.



NOTICE OF THE 17th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **17th Annual General Meeting** of **KINGSTON PROPERTIES LIMITED** will be held at **Courtleigh Hotel and Suites, 85 Knutsford Boulevard Kingston 5** in the parish of St Andrew in Jamaica on **11 June, 2025** at **10:00 a.m.** for the following purposes:

1. To Receive the Audited Accounts for the year ended December 31, 2024, and the Reports of the Directors and Auditors.

The Company is asked to consider and if thought fit, pass the following Resolution:

Resolution 1: "THAT the Audited Accounts for the Year Ended December 31, 2024, along with the reports of Directors and Auditors, circulated with the Notice convening the meeting, be and are hereby adopted."

2. To Declare Final Dividend

The Company is asked to consider and if thought fit, pass the following Resolution:

Resolution 2: "THAT the interim dividend of US\$0.000566 per share paid on June 5, 2024 and US\$0.001058 per share paid on December 18, 2024, be and is hereby declared as final for the year ended December 31, 2024".

3. To Re-Elect Directors

(a) The Directors retiring by rotation in accordance with Article 107 of the Company's Articles of Incorporation are: Mr. Peter Reid and Ms. Lisa Gomes who being eligible for re-election offer themselves for re-election.

The Company is asked to consider and if thought fit, pass the following Resolutions:

Resolution 3: "THAT Mr. Peter Reid retiring by rotation, be and is hereby re-elected."

Resolution 4: "THAT Ms. Lisa Gomes retiring by rotation, be and is hereby re-elected."

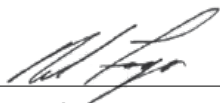
4. To Appoint the Auditors and Fix their Remuneration

The Company is asked to consider and if thought fit, pass the following Resolution:

Resolution 5: "THAT KPMG having signified their willingness to continue in office as Auditors, the Directors be and are hereby authorized to agree to their remuneration in respect of the period ending with the next Annual General Meeting."

5. To transact any other ordinary business of the Company.

By Order of the Board of Directors



Nicole Foga
Company Secretary

Registered Office:
**7 Stanton Terrace,
Kingston 6, Jamaica**

April 24, 2025

NOTES:

Any shareholder entitled to attend the Meeting and vote is entitled to appoint a proxy to attend and vote instead of the shareholder. A Proxy need not be a member of the Company. A Proxy Form is enclosed for your convenience. The Proxy Form must be signed, stamped and deposited at the registered office of the Company situated at 7 Stanton Terrace, Kingston 6 addressed to "The Company Secretary" not less than 48 hours before the time of holding the Meeting. The stamp duty is \$100.00 and may be paid by affixing adhesive postage stamps to the Proxy Form which stamps are to be cancelled by the person signing the Proxy.



**KINGSTON
PROPERTIES
LIMITED**

TABLE OF CONTENTS



SEE MORE
ON PG.

6



SEE MORE
ON PG.

11

3

CORPORATE PROFILE

6

- Property Management
- Investment Management
- Business Strategy

7

8

9

GROUP STRUCTURE

10

GROUP CHAIRMAN & CEO STATEMENT

11

QUICK FACTS

15



GROSS DIVIDENDS PAID

US\$1,435,619

TOP TEN SHAREHOLDERS

16

TEN YEAR FINANCIAL STATEMENT

18

DIRECTORS' REPORT

21

2024 BEST PRACTICES AWARD CEREMONY

22

BOARD OF DIRECTORS & PROFILES

23



SEE MORE
ON PG.

22

TABLE OF CONTENTS CONT'D

ESG REPORT 27



SEE MORE
ON PG.
28

4

- Environmental Performance Report 28
- Social Performance 30
- United Nations Sustainable Development Goals 2030 32
- Governance Report 33

MEET THE TEAM 39

- Our People 41



SEE MORE
ON PG.
43



SEE MORE
ON PG.
68

MANAGEMENT DISCUSSION & ANALYSIS 45

- Property Portfolio 51
- Real Estate Market Overview 65
- Risk Exposures & Risk Management Strategies 71

CORPORATE DATA	79
INDEX TO FINANCIAL STATEMENTS	80
NOTES	132
FORM OF PROXY	133
NOTES	134

“

*Investing in real estate is smart
because property is tangible.
People always have, and always
will, need shelter.*

- Kathy Fettke



**KINGSTON
PROPERTIES
LIMITED**

CORPORATE PROFILE

Welcome to a new chapter in Kingston Properties Limited's (KPREIT's) journey. We mark over a decade and a half of innovation, resilience, and growth in the real estate investment sector. In our 16th year, we continue to uphold our commitment to delivering pioneering real estate investment opportunities with unwavering reliability.

WHO WE ARE

6

Originally established as Carlton Savannah REIT (Jamaica) Limited in 2008, Kingston Properties Limited was born out of an ambition to lead the real estate investment frontier. Navigating through the challenging times of the Great Recession, KPREIT became the first real estate investment company to be publicly listed on the Jamaica Stock Exchange (JSE). Throughout the years, we've built a solid foundation for growth on this pioneering milestone.

Our portfolio has flourished to encompass a wide array of properties, ranging from residential to commercial, industrial, and mixed-use developments across Jamaica, the Cayman Islands, the United States of America and the United Kingdom. This growth has been powered by our Kingston-based team, whose local roots and global expertise drive unparalleled benefits for our investors and stakeholders.

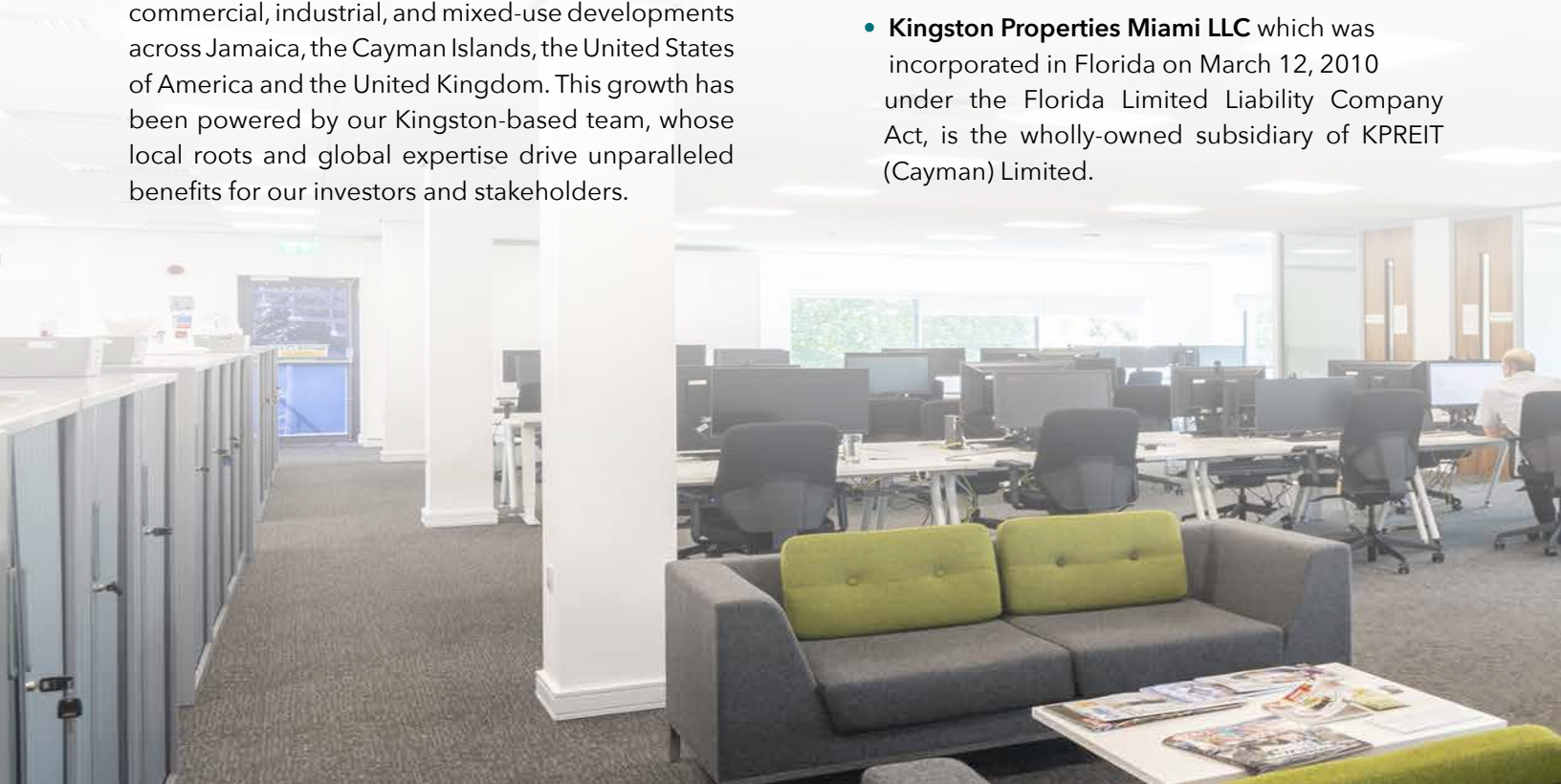
OUR MISSION AND VISION

Our core mission is to enhance shareholder value through a diversified property portfolio that yields significant net income and appreciates in value over time, ensuring the consistent distribution of dividends. This mission motivates our team to relentlessly pursue unique investment opportunities, guided by a disciplined, data-driven strategy and a deep understanding of our clients' investment goals.

Strategic Structure and Global Reach

KPREIT has six wholly-owned subsidiaries, spanning strategic locations in Jamaica, the Cayman Islands, the United States of America and the United Kingdom, enhancing our global footprint and reinforcing our investment philosophy. Our subsidiaries include:

- **Kingston Properties (St. Lucia) Limited** was redomiciled to Cayman on January 4, 2022 by way of continuation, and its name changed to KPREIT (Cayman) Limited; it is now a wholly-owned subsidiary of KPREIT (St Lucia) Limited.
- **KPREIT (St. Lucia) Limited** which was incorporated in St. Lucia under the International Business Companies Act on December 29, 2021;
- **Kingston Properties Miami LLC** which was incorporated in Florida on March 12, 2010 under the Florida Limited Liability Company Act, is the wholly-owned subsidiary of KPREIT (Cayman) Limited.



- **KP(REIT) Jamaica Limited** which was incorporated in Jamaica under the Companies Act on September 14, 2018.
- **KP Dumfries Limited** which was incorporated in Jamaica under the Companies Act on February 16, 2021.
- **KPRE (UK) Limited** which was incorporated in the United Kingdom on March 20, 2024.

The Group owns properties in Jamaica, the Cayman Islands, the United States of America and the United Kingdom as set out in the Property Portfolio on [page 51](#).

Investment Philosophy

Our investment philosophy is centred around the belief that real estate is an attractive asset class that offers the potential for long-term growth and income generation. We take a long-term view of our investments, seeking to identify opportunities that will deliver stable cash flows and capital appreciation over time.

We also believe in the importance of active management, and we work closely with our property managers to ensure that our investments are well-maintained and optimized for performance.

Our *“Buy Local, Own Global”* motto encapsulates our view that various types of shareholders, even those with limited funds, can access a geographically diversified real estate portfolio that generates sustained cash flows. Shareholders do not have to purchase property directly to receive the financial benefits from that investment outside the shores of Jamaica.

KPREIT embraces global best practices in management, adopts a dividend policy of up to 90% of Funds From Operations (FFO), and continues to operate at the cutting-edge to consistently create shareholder value.

Sustainability

We are deeply committed to being responsible stewards of the environment and promoting sustainable practices. Over the last three years, we have taken meaningful action to improve energy efficiency and sustainability standards for our company and our properties. For those efforts, we achieved green certification at three of our properties in Jamaica.

Our team continues to lead by example and work closely with our tenants to encourage responsible resource use.

Corporate Objectives

We deliver superior returns to our investors and shareholders while maintaining the highest standards of integrity and professionalism. Our primary focus is acquiring and managing income-generating properties with strong growth potential in key markets. KPREIT strives to provide exceptional investment opportunities, create value through strategic acquisitions and asset management, and optimize returns through prudent risk management.

Our commitment to building long-term relationships, fostering collaboration, and adhering to sustainable and ethical business practices sets us apart in the real estate investment industry. With a dedicated team of experienced professionals, a diversified portfolio, and a forward-thinking approach, we are driven



to exceed expectations and achieve outstanding results for our investors.

CORE OBJECTIVES:



A. Investment Management



B. Property Management



C. Business Strategy



INVESTMENT MANAGEMENT

Our commitment to building long-term relationships, fostering collaboration, and adhering to sustainable and ethical business practices sets us apart in the real estate investment industry. With a dedicated team of experienced professionals, a diversified portfolio, and a forward-thinking approach, we are driven to exceed expectations and achieve outstanding results for our investors.

We continue to adopt and implement nimble investment strategies to satisfy our target returns while balancing the portfolio’s overall risk.

Diversification of the portfolio of assets to minimize the impact of country and sector risk is a tool used to boost returns and concentration risk.

Various factors determine asset selection and retention, including:

- 1. Properties with strong, consistent cash flows;
- 2. Properties located in markets with sound fundamentals and,
- 3. Tenants with strong credit histories.

Our property selection process incorporates rent comparisons among various properties, trends in capitalization rates for the market and the asset subclass, the potential for net operating income growth, and historical sales comparisons. The Company uses 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. and inventory

for different properties, including apartments, office, retail, and industrial properties.

Part of the process of determining asset retention is valuation modelling, which involves analyzing the cash flows of individual properties with attention to important assumptions such as rent growth, the level of vacancy that could be experienced, operating expenses such as insurance, taxes, repair, and maintenance, and property management fees in addition to 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 flow to service both operating expenses and financing obligations is considered to minimize financing risk.

In addition, we conduct a Total Return Analysis for each property. This Analysis takes into consideration the property’s likely capital appreciation prospects and is influenced by the macroeconomic trends of its location. For example, for an office building, one the important variables include macro trends in the job market.

Finally, Deal Review and Final Approval are important components of the investment management process. The Investment and Risk 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.



PROPERTY MANAGEMENT

The Property Management process is a key component in our mission to create and maintain shareholder wealth. This involves a team’s engagement 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 property management fee collection, and management of rent and maintenance escrow accounts. The team also engages in insurance negotiations and payments, property tax compliance, and liaises 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 property management is a hallmark of 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.

Property Management also involves control of repair and maintenance expenses while ensuring the highest level of tenant relations.

Property Management for our commercial portfolio involves using a referral system to conduct 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.



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, satisfying 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 optimally use 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, and other financing structures.

Shared Risk

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

Capacity Building

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

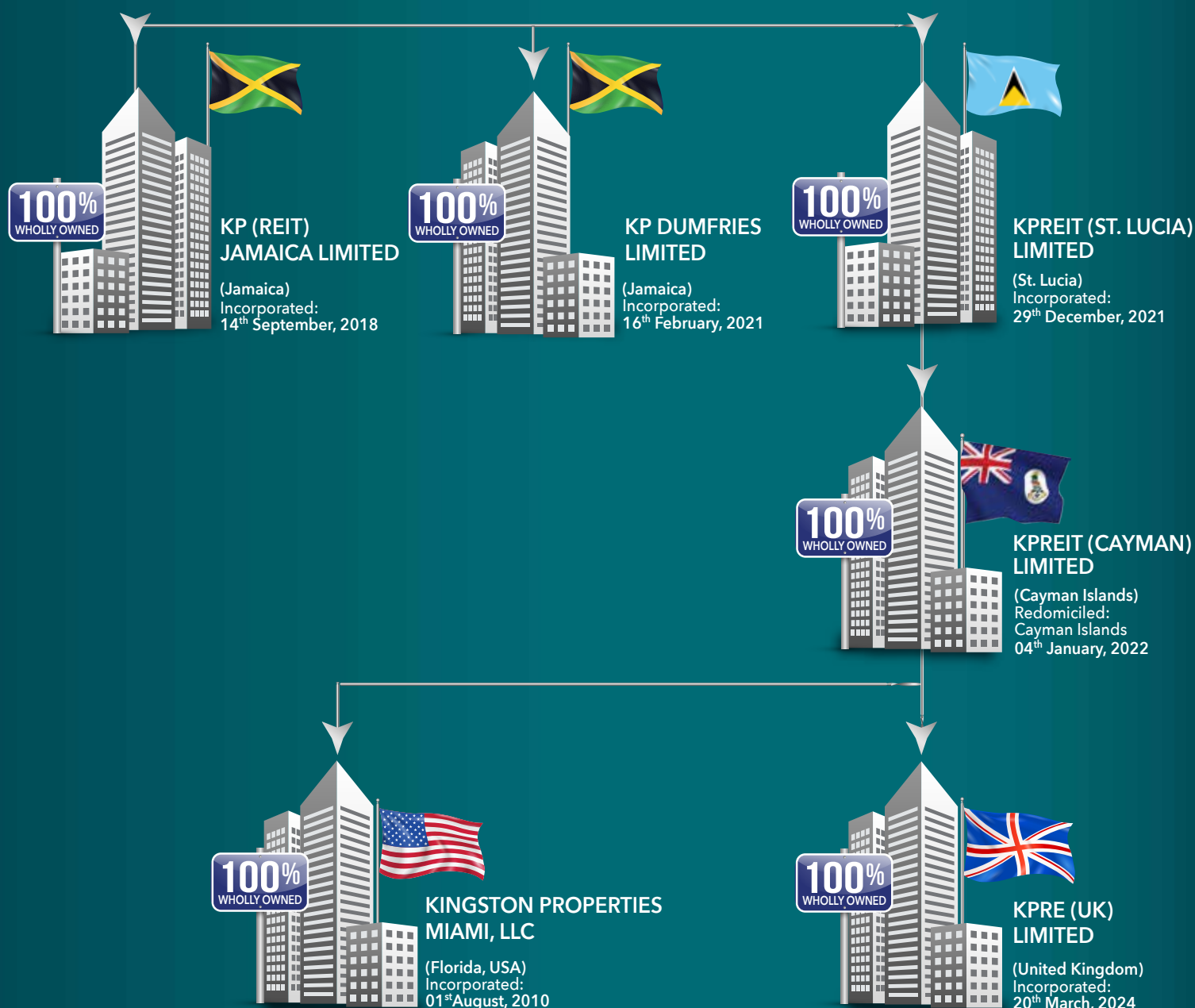
As we look forward to the future, our past 16 years stand as a testament to our ability to offer innovative and reliable real estate investment opportunities. Our disciplined investment approach, commitment to sustainability, and responsible management serve as the cornerstones of our continued success and future endeavours.



KINGSTON PROPERTIES LIMITED

- (Jamaica) Incorporated: 21st April, 2008 -

GROUP STRUCTURE



**KINGSTON
PROPERTIES
LIMITED**

FROM THE CARIBBEAN TO THE WORLD!

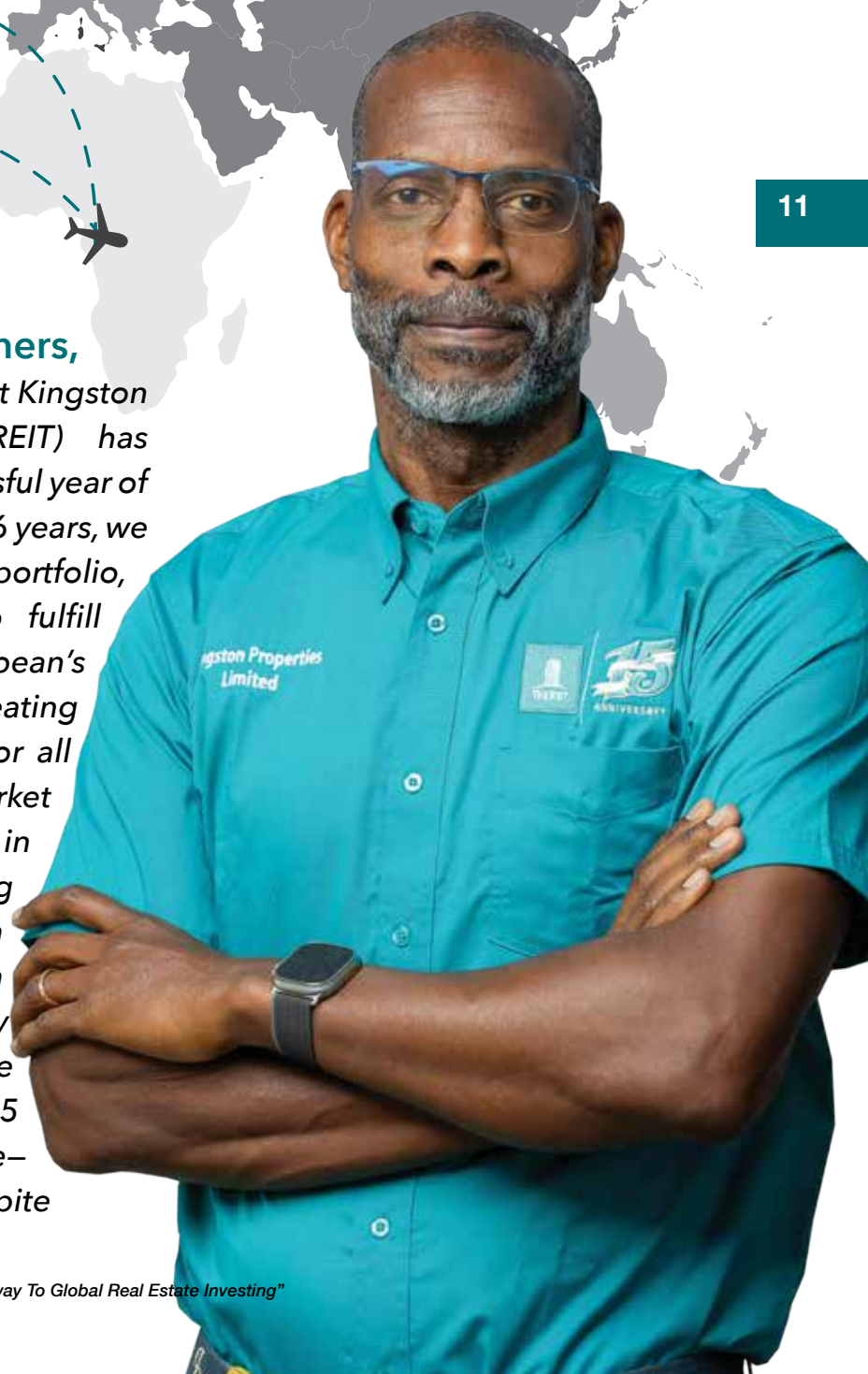


11

Fellow Shareholders and Partners,

We are pleased to report that Kingston Properties Limited (KPREIT) has concluded another successful year of growth and resilience. Over the last 16 years, we have significantly transformed our portfolio, balance sheet, and operations to fulfill our vision of becoming the Caribbean's premier REIT, renowned for creating exceptional and sustainable value for all stakeholders. Despite ongoing market fluctuations and moderate increases in operating expenses, our unwavering commitment to strategy execution resulted in double-digit growth in rental revenue from new property acquisitions. Total comprehensive income also rose, surpassing the US\$5 million threshold for the first time—an accomplishment achieved despite higher year-on-year borrowing costs.

"The Gateway To Global Real Estate Investing"



STRATEGIC AND FINANCIAL HIGHLIGHTS

Strong Share Price Performance

Our volume-weighted average price (VWAP) increased by 15% year over year, compared to the Main Index of the Jamaica Stock Exchange increasing by 3% over the same period. Record-high trading volumes during the year also continue to demonstrate improved tradeability of the stock following two successful equity raises since November 2019.

Geographic Diversification

We expanded into the United Kingdom with our first acquisition. We successfully closed on our first asset in Downtown Kingston, Jamaica, underscoring our commitment to broadening our portfolio in strategic markets.

12



Asset Growth and Revenue

Total assets under management grew to over US\$86 million, and our net cash flow from operations improved.

Balanced Scorecard Strategy

We successfully achieved or surpassed most of our financial targets, supported by strong tenant and staff satisfaction. This balanced framework has guided us in maintaining disciplined operations while exploring new opportunities.

Operational Achievements and Challenges

Over the past year, we launched cost-saving and revenue-generating initiatives across our operations, including refining our risk management practices and strengthening due diligence for all stakeholders. These efforts have reinforced our resilience and highlighted areas for further improvement, such as addressing higher-than-anticipated vacancies in specific properties. We are positioning KP REIT to remain agile and profitable amid evolving market conditions by creatively adapting vacant spaces and forming new partnerships.

Market Outlook

Shifts in global interest rates allowed us to refinance certain loans. Meanwhile, the renewed desire for in-person work in key markets such as the United Kingdom (UK) positively influences demand for

office properties. We anticipate more entrants into our sector—many focusing on greenfield developments—and expect financial institutions to continue transitioning from property ownership to tenancy. These trends affirm our strategy of targeting diverse properties and markets outside the hurricane belt.

Strategic Investments and Divestments

Our notable achievements include acquiring our first Downtown Kingston, Jamaica, asset on a sale-and-leaseback arrangement and embarking on our inaugural venture into the UK market. We also disposed of units held at the Tropic Centre in the Cayman Islands and completed the Gum Tree 5 development, which is now leased. These transactions highlight our commitment to proactive portfolio management and improving shareholder returns.



KPREIT enters UK Market with \$21m CIBC backed acquisition. - Jamaica Observer

Sustainability and Corporate Governance

We remain steadfast in upholding stringent corporate governance practices, receiving an "A" rating on

the Jamaica Stock Exchange Corporate Governance (CG) index and maintaining our Gold status with NEPA's Green Business Initiative. This year, we continued our partnership with Food for the Poor to donate a home in one of our local communities and collaborated with the Jamaica Environment Trust on a beach clean-up campaign. Our Green Policy continues to guide us in integrating sustainable initiatives into a broader set of our properties, aligning with the UN Sustainable Development Goals.

LOOKING AHEAD

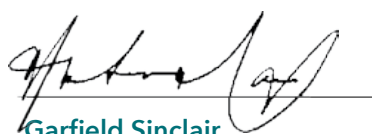
Our primary targets for the coming financial year include reaching US\$100 million in assets under management or ownership and generating approximately US\$2 million in Funds from Operations (FFO). We will also deepen our geographic diversification, leverage the KPREIT brand for creative fundraising, and remain vigilant in managing our debt levels.

THANK YOU FOR INVESTING IN US

On behalf of the Board and the entire KPREIT team, thanks to our shareholders, team members, tenants, and other stakeholders for their continued trust and support. Our future success depends on our collective vision and dedication, and we look forward to another year of delivering sustainable growth and value.

Thank you for your unwavering commitment to KPREIT. We remain devoted to transforming the real estate investment landscape in the Caribbean and beyond.

Sincerely,



Garfield Sinclair

Group Chairman



Kevin Richards, CCIM

Chief Executive Officer





KPREIT GEARS UP FOR PROPERTY PURCHASE WITH NEW US\$5-M LOAN

Kingston Properties Real Estate Investment Trust (KPREIT) appears to be one-step closer to executing on its long-discussed plans to acquire at least one property in the United Kingdom before the close of 2024, having secured US\$5 million in new loan from First Caribbean International Bank.



Kingston Properties Limited (KPREIT) continues expansion into the UK

On March 31, 2023, Kingston Properties Limited (KPREIT) closed on the acquisition of Building 4 - Dorking Business Park. This is a fully tenanted 13,000 sq office building located in Dorking, which is an affluent commuter town 27 miles south of London, and represents the continuation of KPREIT's strategy of geographic diversification.



GUESS THE ANSWER

How many properties does KPREIT own in Jamaica?

- a. 5
- b. 6
- c. 7
- d. 8



KPREIT INCREASES LOCAL ASSETS WITH DOWNTOWN KINGSTON ACQUISITIONS

Kingston Properties Limited (KPREIT), a property management and development company, has acquired two buildings at 6 Duke Street and 8-10 Duke Street in Kingston through a sale and leaseback arrangement with Victoria Mutual Building Society (VMBS) and its affiliate VM Real Estate Holdings Limited.



SHE LEADS,
SHE BUILDS,
SHE INSPIRES.

CELEBRATING Our Women



HAPPY INTERNATIONAL MEN'S DAY!



WAYS TO GO GREEN AT WORK



Have indoor plants
Place a few plants around the office to improve air quality and help reduce indoor toxic air.



Recycle
Place recycling bins at all the workstations and employee areas in your office.



Conserve energy
Turn off all computers, electronic devices, and other office equipment at the close of the business day.



Avoid disposable cups
Carry your own reusable bottle or mug instead of using multiple disposable cups per day.



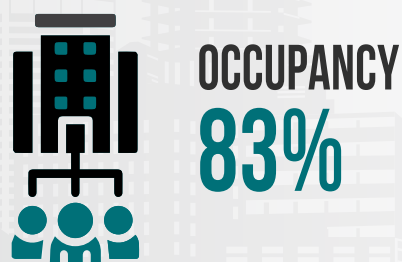
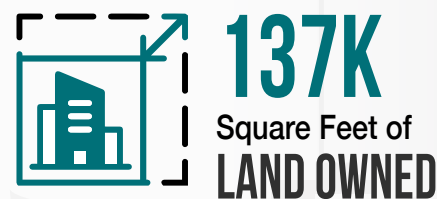
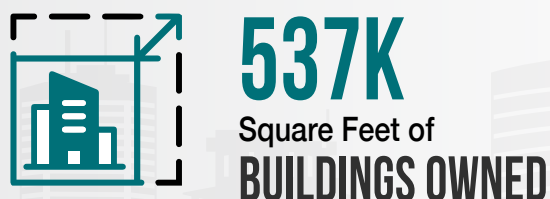
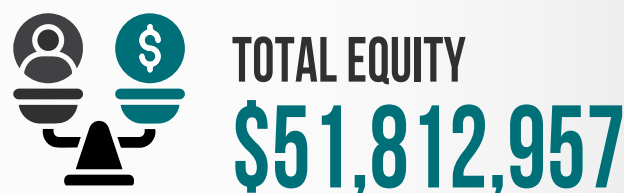
kingston.properties Small changes, big impact! Here are simple ways to go green at work:

- have indoor plants
- conserve energy
- recycle
- opt for reusable cups and container

Together, we can create a more sustainable future.

kingston.properties Congratulations to our very own Kevin Richards, on being one of the recipients of the prestigious award for Leadership and Sterling Contribution to the Development of the Business and Financial Sector 2023 at the Jamaica Stock Exchange Best Practice Awards.

QUICK FACTS






**KINGSTON
PROPERTIES
LIMITED**

TOP 10 SHAREHOLDERS FOR KINGSTON PROPERTIES LIMITED

AS AT DECEMBER 31, 2024

	PRIMARY ACCOUNT HOLDER	VOLUME	%
16	1 VM INVESTMENTS LIMITED	203,379,834	23.0068%
	2 PRIME ASSET MANAGEMENT JPS EMPLOYEES SUPERANNUATION FUND	138,584,772	15.6770%
	3 VMWEALTH PROPERTY FUND	122,401,208	13.8463%
	4 NATIONAL INSURANCE FUND	67,142,856	7.5953%
	5  PAM - POOLED EQUITY FUND	51,662,381	5.8442%
	6 PAM - COURTS (JAMAICA) PENSION PLAN	45,475,068	5.1442%
	7 PLATOON LIMITED	36,459,155	4.1243%
	8 PAM-POOLED PENSION REAL ESTATE	25,800,681	2.9186%
	9 GUARDIAN LIFE SHELTER PLUS FUND	20,680,000	2.3394%
	10 THE ATL GROUP PENSION FUND TRUSTEES NOMINEE LTD	18,000,000	2.0362%

Total Issued Capital: 884,000,000

Total Units Owned by Top 10 Shareholders: 729,585,955

Total Percentage Owned by Top 10 Shareholders: 82.5323%

DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS REPORT

AS AT DECEMBER 31, 2024

DIRECTORS	SHAREHOLDINGS	CONNECTED SHAREHOLDINGS
Garfield Sinclair - Platoon Limited	Nil	36,459,155
Nicole L. Foga	432,830	Nil
Peter Jonathan Reid	4,246,263	Nil
Lisa Gomes	672,760	Nil
Gladstone Lewars	667,000	Nil
Phillip Silvera	186,700	Nil
Rezworth Burchenson	421,146	Nil
SENIOR MANAGERS	SHAREHOLDINGS	CONNECTED SHAREHOLDINGS
Kevin Richards	2,000,035	Nil
Andray Francis - Annetta Francis	Nil	100,000
Tatesha Robinson-Rowe - Fenekie Rowe	98,746	73,400
Roxanne Kelly	4,600	Nil
Neichelle Spence Lattibeaudiere	Nil	

TEN YEAR FINANCIAL STATEMENT

TEN YEAR FINANCIAL PERFORMANCE CONSOLIDATED INCOME STATEMENT	2015 JMD	2016 JMD	2017 JMD	2018 USD	2019 USD	2020 USD	2021 USD	2022 USD	2023 USD	2024 USD
Rental Income	108,368,868	130,457,378	196,322,267	1,573,865	1,690,138	2,130,727	2,981,417	3,346,404	3,837,090	4,717,392
Operating Expenses	100,902,850	98,264,169	124,325,694	1,016,865	1,016,341	1,100,482	1,283,008	1,483,534	1,533,287	2,072,154
Results of operating activities before other income	7,466,018	32,193,209	71,996,573	557,000	673,797	1,030,245	1,850,148	1,997,999	2,450,477	2,772,001
Other Income/gains	169,171,834	133,359,028	20,776,177	(363,008)	1,563,618	384,184	1,672,287	2,367,888	2,752,736	3,936,553
Operating Profit	176,637,852	165,552,237	92,772,750	193,992	2,237,415	1,414,429	3,522,435	4,365,887	5,349,887	6,835,317
Net Finance Cost/Income	(16,500,658)	53,788	(42,090,982)	(261,150)	(238,862)	(817,082)	(425,557)	(481,820)	(680,824)	(1,435,564)
Pre-Tax Profit or Loss	127,287,194	164,236,298	50,681,768	(67,158)	1,998,553	597,347	3,096,878	3,884,067	4,669,063	5,399,753
Income tax charge/credit	(21,865,656)	(34,317,258)	28,477,048	329,546	200,821	15,378	(78,566)	(84,411)	(21,547)	(25,570)
Net Profit	105,421,538	129,919,040	79,158,816	262,388	2,199,374	612,725	3,018,312	3,799,656	4,647,516	5,374,183
Foreign currency translation differences	30,177,442	60,949,209	(40,074,054)	(5,129)	-	-	-	-	-	-
Total Comprehensive Income	135,598,980	190,868,249	39,084,762	257,259	2,199,374	612,725	3,018,312	3,799,656	4,647,516	5,374,183
CONSOLIDATED STATEMENT OF FINANCIAL POSITION										
Investment Properties and other real estate assets	1,552,203,131	1,930,922,213	2,471,466,048	20,620,680	23,939,643	38,130,420	46,960,606	50,716,300	66,817,189	80,616,228
Cash and Cash Equivalents	132,896,744	24,078,908	37,966,958	1,020,954	15,169,168	4,871,737	2,707,039	4,623,317	3,170,290	4,593,883
Total Assets	1,729,553,372	2,157,608,555	2,555,966,240	23,058,996	39,927,923	45,595,068	50,470,348	56,207,893	70,956,389	86,595,906
Total Equity	1,585,038,775	1,726,184,541	1,739,448,116	14,173,529	30,305,913	30,516,556	32,634,497	44,594,430	47,874,393	51,812,957
Loans Payable	-	273,977,851	704,625,570	8,333,536	9,276,018	13,724,480	17,243,953	11,044,917	22,205,605	33,661,827
Total Liabilities	144,514,597	431,424,014	816,548,124	8,885,467	9,622,010	15,078,512	17,835,851	11,613,463	23,081,996	34,782,849
KEY RATIOS										
Total Comprehensive Income % of Average Equity	11.13%	11.53%	2.26%	0.03%	31.03%	2.01%	9.56%	9.84%	10.05%	10.78%
Loans as % of Total Equity	0.00%	15.87%	40.51%	58.80%	30.61%	44.97%	52.84%	24.77%	46.38%	64.97%
Rental Income % of Total Investment Property	6.98%	6.76%	7.94%	7.63%	7.06%	5.59%	6.35%	6.60%	5.74%	5.85%
Profit before income tax Margin %	45.86%	62.25%	23.35%	-5.55%	61.42%	23.75%	66.55%	67.97%	69.31%	61.50%
Net Operating Margin %	6.89%	24.68%	36.67%	35.39%	39.87%	48.35%	56.97%	55.67%	61.51%	57.22%
Net Profit per share	\$1.00	\$0.81	\$0.25	\$0.00081	\$0.00619	\$0.00090	\$0.00445	\$0.00487	\$0.00526	\$0.00608
Operating Expenses as % of Rental Income	93.11%	75.32%	63.33%	64.61%	60.13%	51.65%	43.03%	44.33%	39.96%	43.93%
Effective Tax Rate	17.18%	20.90%	-56.19%	490.70%	-10.05%	-2.57%	2.54%	2.17%	0.46%	0.47%
Total shares outstanding at year end	160,996,334	160,996,334	321,992,668	321,967,682	677,712,399	677,663,643	677,652,928	884,609,294	884,000,000	884,000,000
Weighted Average No. of shares	105,549,310	160,996,334	321,992,668	331,622,071	355,235,387	677,664,788	677,654,648	781,015,068	884,000,000	884,000,000
OTHER DATA										
EBITDA (adj.)	11,372,436	46,463,541	82,153,405	200,914	2,245,866	1,427,548	3,542,513	4,390,653	5,375,357	6,858,890
Net Cash from Operations	974,667	(144,667,060)	85,150,354	420,985	602,886	577,320	2,118,357	1,691,967	2,476,398	2,522,375
Gross Dividends (USD)	200,000	400,000	200,000	200,000	450,000	400,000	900,000	1,430,000	1,367,553	1,435,619
Dividend per share (USD)	\$0.00124	\$0.00248	\$0.00062	\$0.00062	\$0.00140	\$0.00059	\$0.00133	\$0.00183	\$0.00155	\$0.00162
Dividend yield	2.12%	3.19%	1.01%	1.32%	2.79%	1.16%	2.29%	3.59%	3.07%	2.69%
Dividend Payout Ratio	22.26%	38.53%	32.43%	76.22%	20.46%	65.28%	29.82%	37.63%	29.43%	26.71%
Book Value per share (USD)	\$9.85	\$10.72	\$5.40	\$0.04402	\$0.04472	\$0.04503	\$0.04816	\$0.05041	\$0.05416	\$0.05861
Year end closing stock price (JMD)	\$7.05	\$10.00	\$7.70	\$6.00	\$6.63	\$7.25	\$9.00	\$7.75	\$7.80	\$9.43
Year end closing stock price (adj.) *	\$3.53	\$5.00	\$7.70	\$6.00	\$6.63	\$7.25	\$9.00	\$7.75	\$7.80	\$9.43
Price Earnings Ratio	7.06	12.39	31.32	56.76	7.98	55.97	13.33	10.33	9.57	9.87
Year End Market Capitalization (JMD)	1,135,024,155	1,609,963,340	2,479,343,544	1,931,806,092	4,493,233,205	4,913,061,412	6,098,876,352	6,855,722,029	6,895,200,000	8,336,120,000
JSE Index at Year End	130,692.13	192,276.64	288,381.97	379,790.86	509,916.44	395,614.93	396,155.61	355,896.64	325,699.79	335,794.94
Annual Inflation Rate % - Jamaica	3.70%	1.70%	5.20%	2.50%	6.20%	5.20%	7.30%	9.40%	6.90%	5.00%
Annual Inflation Rate % - US	0.70%	2.10%	2.10%	1.90%	2.30%	1.40%	7.00%	6.50%	3.40%	2.90%
Year End Exchange rate USD:JMD	\$120.42	\$128.44	125.00	127.72	132.57	142.65	155.09	152.05	154.95	156.42
Year over Year % Change	5.0%	6.7%	-2.7%	2.2%	7.6%	7.6%	8.7%	-2.0%	1.9%	0.9%
Average annual exchange rate	117.31	125.14	128.36	129.72	134.22	143.27	151.62	154.21	154.99	157.22

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*“Some people look for a beautiful place. Others make a place beautiful.”
- Hazrat Inayat Khan*



DIRECTORS' REPORT

The Directors of *Kingston Properties Limited* are pleased to present their *Annual Report and the Audited Financial Statements for the year ended December 31, 2024.*

FINANCIAL RESULTS

Operating Activities	\$2,772,001
Profit before Income Tax	\$5,399,753
Income Tax Charge	\$25,570
Profit for the year	\$5,374,183
Dividends declared on ordinary shares	\$1,435,619

DIVIDENDS

The company declared dividend payments of US\$0.000566 per share paid on June 5, 2024 and US\$0.001058 per share paid on December 18, 2024.

THE BOARD OF DIRECTORS

Mr. Garfield Sinclair	(Chairman/Independent Director)
Ms. Nicole Foga	(Company Secretary/Independent Director)
Ms. Lisa Gomes	(Independent Director)
Mr. Peter Reid	(Independent Director)
Mr. Gladstone Lewars	(Independent Director)
Mr. Phillip Silvera	(Independent Director)
Mr. Rezworth Burchenson	(Independent Director)

Pursuant to Article 107 of the Schedule to the Articles of Incorporation of Kingston Properties Limited, the Directors retiring by rotation are Mr. Peter Reid and Ms. Lisa Gomes, who both being eligible for re-election offer themselves for re-election to the Board.

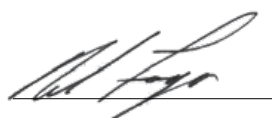
AUDITORS

A resolution authorizing the directors to fix the Auditors' remuneration will be put to the Annual General Meeting.

THANK YOU

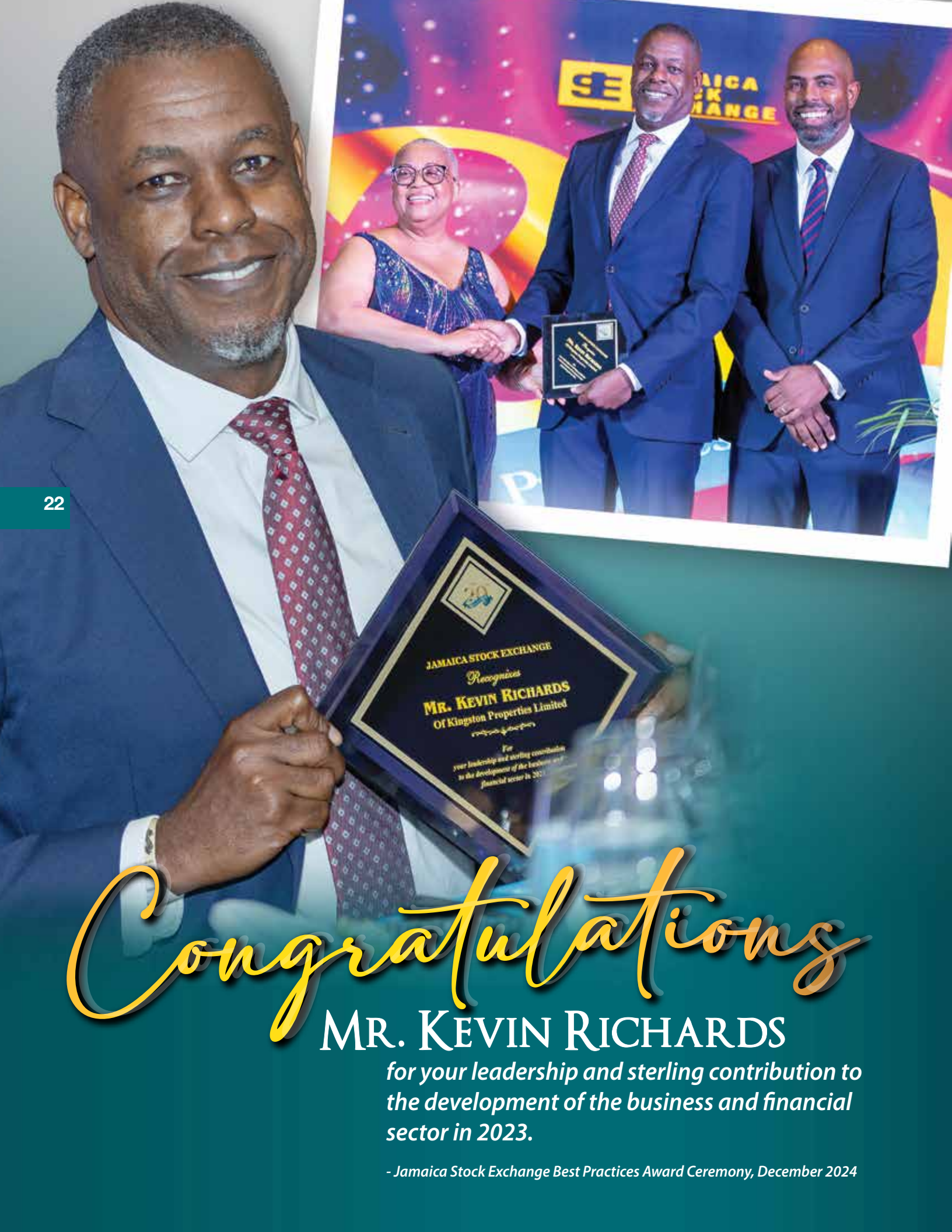
The Directors thank the management and staff of Kingston Properties Limited for the work they have done during the year under review.

By Order of the Board,



Nicole Foga
Company Secretary
April 15, 2025





Congratulations

MR. KEVIN RICHARDS

*for your leadership and sterling contribution to
the development of the business and financial
sector in 2023.*

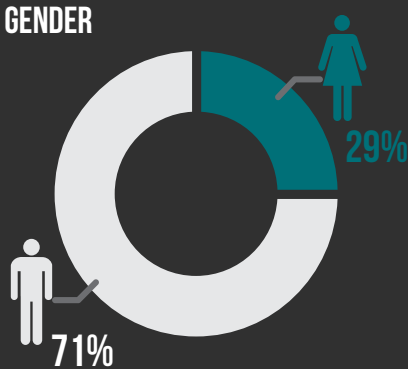
- Jamaica Stock Exchange Best Practices Award Ceremony, December 2024

BOARD OF DIRECTORS & PROFILE

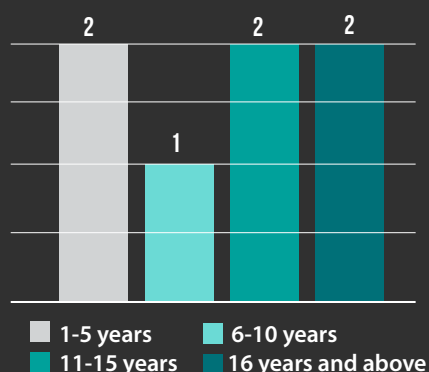
COMMITTEE MEMBERSHIP KEY

- AUDIT COMMITTEE
- CORPORATE GOVERNANCE AND NOMINATION COMMITTEE
- HUMAN RESOURCES AND COMPENSATION COMMITTEE
- INVESTMENT AND RISK COMMITTEE

GENDER



TENURE



INDEPENDENT DIRECTORS AND NON-INDEPENDENT DIRECTORS



● INDEPENDENT DIRECTORS: 07
 ● NON-INDEPENDENT DIRECTORS: 00



GARFIELD "Garry" SINCLAIR

Independent Director

Board Position:

Group Founding Chairman

- Chair - Audit Committee
- Chair - Human Resources and Compensation Committee

Board Tenure: 17 years

QUALIFICATIONS:

Certified Public Accountant (CPA); B.Sc., Business Administration, San Diego State University; Executive Certificate in Strategy and Innovation, Sloan School of Management, MIT

SKILLS & EXPERIENCE:

Garfield Sinclair has extensive business management and strategic leadership experience, particularly in telecommunications and financial management. His career demonstrates impressive leadership roles and transformative impact across regional and international companies.

EXTERNAL DIRECTORSHIPS:

Chairman - Jamaica Stock Exchange Pension Fund, Proven Bank Cayman, Bermuda, BVI; Director - Cable and Wireless Jamaica Limited, Proven Investments Limited, Proven Wealth Limited; Former President - CWC Caribbean; Former CEO - Bahamas Telecommunications Company (BTC); Former Managing Director - FLOW Jamaica
"The Gateway To Global Real Estate Investing"



GLADSTONE LEWARS, CD

Independent Director

Board Position:

Director

- Member - Corporate Governance and Nomination Committee
- Member - Investment and Risk Committee

Board Tenure: 6 years

QUALIFICATIONS:

Chartered Accountant; Master's Degrees in Economics and Accounting, University of the West Indies

SKILLS & EXPERIENCE:

Gladstone Lewars has built a distinguished career in accounting, economics, and advisory services, gaining respect for his deep knowledge and proven ability to guide strategic decisions. His professional journey includes influential roles in advisory and governance capacities, significantly impacting public and private sectors.

EXTERNAL DIRECTORSHIPS:

Director - Mayberry Investment Ltd, Board of Governors - Alpha Academy; Member - Police Civilian Oversight Authority (PCOA); Former Partner - PricewaterhouseCoopers (Leader, Advisory Division)



NICOLE FOGA

Independent Director

Board Position:

Company Secretary

- **Member** - Corporate Governance and Nomination Committee
- **Member** - Human Resources and Compensation Committee

Board Tenure: 17 years

QUALIFICATIONS:

LLM, Commercial Law (Aberdeen University); LLB, Bachelor of Arts (1st Class Hons.), University of the West Indies

SKILLS & EXPERIENCE:

Nicole Foga is a distinguished attorney with specialization in cyber law, intellectual property, and commercial law. Her significant legal expertise and strategic insight have been integral to advising clients on complex commercial and technological matters.

EXTERNAL DIRECTORSHIPS:

Managing Partner - Foga Daley Attorneys-At-Law; Chair - Telecommunications Broadcasting and Technology Committee, Jamaica Bar Association; Chair - University of Technology's Pension Fund; Honorary Consul - Romania; Director and Company Secretary - Usain Bolt Foundation.



PETER REID

Independent Director

Board Position:

Director

- **Chair** - Investment and Risk Committee
- **Member** - Human Resources and Compensation Committee

Board Tenure: 14 years

QUALIFICATIONS:

Bachelor of Arts (Hons.), International Studies, York University (Toronto)

SKILLS & EXPERIENCE:

Peter Reid brings world-class banking and financial services experience, deep expertise in sales, management, credit analysis, financial advisory, and deal structuring. His leadership roles have contributed significantly to financial institutions' strategic direction and operational effectiveness.

EXTERNAL DIRECTORSHIPS:

Deputy CEO - Victoria Mutual Group; Former District Vice President - Bank of Nova Scotia Jamaica Limited; Former Director - Grace Kennedy Currency Trading Services Limited, Guardian Life Limited, Guardian Life Asset Management Jamaica Limited, National Water Commission, West Indies Alliance Insurance Company Limited.



LISA GOMES

Independent Director

Board Position:

Director

- **Chair** - Corporate Governance and Nomination Committee
- **Member** - Investment and Risk Committee

Board Tenure: 14 years

QUALIFICATIONS:

Certified General Accountant (CGA), Fellow of Life Management Institute (FLMI)

SKILLS & EXPERIENCE:

Lisa Gomes is a seasoned finance professional with extensive experience across finance, insurance, and tourism sectors. Her expertise includes investment banking, pension fund management, and corporate governance, making her instrumental in strategic financial oversight and management.

EXTERNAL DIRECTORSHIPS:

Founding Director - Capsol Advisory Limited; Chairman - Proven Wealth Limited (Chair, Audit Committee); Former Country Manager - Chukka Caribbean Adventures Group Limited (CCA); Former President - Guardian Asset Management Jamaica Limited; Former Director of Finance and Planning - Sandals Resorts International.



REZWORTH BURCHENSON

Board Position:
Director

- **Member** - Audit Committee,
- **Member** - Investment and Risk Committee

Board Tenure: 4 years

QUALIFICATIONS:

Bachelor's degree in Economics (Hons.), University of the West Indies (Barclays Bank Scholar); MBA in Banking and Finance (Hons.), University of the West Indies; Kaplan-Norton Strategy Execution Bootcamp by the Palladium Group.

SKILLS & EXPERIENCE:

Rezworth Burchenson is a seasoned investment executive, serving as Senior Vice President at VM Group and CEO of both VM Investments Limited and VM Wealth Management. He plays a key role in driving the group's strategic growth across finance and asset management. In 2012, he was honoured by the PSOJ as one of Jamaica's '50 Under Fifty' in finance and investments.

EXTERNAL DIRECTORSHIPS:

National Road Operating and Constructing Company; National Education Trust Ltd (NET); Human Resource Management Association of Jamaica; Pension Funds Association of Jamaica (PFAJ).



PHILLIP SILVERA

Board Position:
Director

- **Member** - Audit Committee

Board Tenure: 4 years

QUALIFICATIONS:

Fellow of the Association of Chartered Certified Accountants (FCCA, UK); Fellow of the Institute of Chartered Accountants (FCA, Jamaica)

SKILLS & EXPERIENCE:

Phillip Silvera is an accomplished financial expert with comprehensive knowledge of financial control, accounting, and securities dealing. With over four decades in the financial industry, he has held significant positions highlighting his capacity to provide proven financial stewardship and governance.

EXTERNAL DIRECTORSHIPS:

Director - Victoria Mutual Group, Victoria Mutual Financial Group, VM Building Society, VM Investments, VM Wealth Management; Former Chairman - J.E.T.S. Limited (Multilink); Former Director - VMBS Money Transfer, Victoria Mutual Insurance Company, Island Victoria Bank.

“
*Leadership is the
capacity to translate
vision into reality.*

-Warren Bennis

“

Real estate cannot be lost or stolen, nor can it be carried away. Purchased with common sense, paid for in full, and managed with reasonable care, it is about the safest investment in the world.

- Franklin D. Roosevelt, U.S. President.

**KINGSTON
PROPERTIES
LIMITED****ENVIRONMENT****SOCIAL****GOVERNANCE**

27

We remain committed to sustainable and responsible growth that delivers long-term value for our stakeholders while supporting the communities in which we operate. Our 2024 ESG Report outlines the progress we have made across environmental stewardship, social impact, and corporate governance, aligning with both the United Nations Sustainable Development Goals and our strategic business objectives. From expanding our recycling initiatives and initiating a major solar energy project, to deepening community partnerships and enhancing board governance practices, this year's report reflects our dedication to creating a resilient, ethical, and future-ready real estate investment platform across all our markets.

ENVIRONMENTAL PERFORMANCE

Sustainability is embedded in our operations, driving long-term value for both our stakeholders and the communities we serve. In 2024, we intensified our efforts to reduce our environmental footprint through targeted investments in energy efficiency, waste management, and resource use, reinforcing our leadership in responsible real estate management.

28

ENERGY EFFICIENCY & RENEWABLE ENERGY

Currently, in our procurement pipeline, a project which promises to be one of our most impactful initiatives is the introduction of a Solar Electricity Project at 36-38 Red Hills Road, marking a significant step towards renewable energy adoption. Additionally, we achieved a 25% reduction in energy consumption at 52-60 Grenada Crescent, saving 125,764 KWH—equivalent to J\$8.4 million in cost savings. These improvements, along with the continued replacement of outdated systems with energy-efficient alternatives, underscore our commitment to reducing carbon emissions and operational costs.

WASTE MANAGEMENT & SUSTAINABLE PROCUREMENT

Our approach to sustainability extends beyond energy efficiency. We prioritised responsible procurement, ensuring that our office supplies were sourced from manufacturers using recycled materials. Through active waste management strategies, we reduced overall waste generation by 5%, supported by employee and stakeholder training on recycling best practices. Our recycling efforts expanded to the



Riverton Early Childhood Centre, where we provided bins and coordinated collection through Recycling Partners of Jamaica. Additionally, our ongoing school recycling projects continue to foster environmental responsibility among young learners.

SUSTAINABLE DEVELOPMENT & WATER CONSERVATION

Incorporating sustainability into new developments is a key priority. At 11 Rousseau Road, we integrated a rainwater harvesting system into the project design, further demonstrating our commitment to water conservation and resilience against climate variability.

ENVIRONMENTAL STEWARDSHIP & RECOGNITION

KPREIT's sustainability efforts have been recognised through NEPA's Green Business Jamaica Programme, where we proudly retained our Gold Award and achieved an upgrade from Silver to Gold in the Chemical Management Category. Our strong performance in Waste Management (95%), Water Efficiency (89%), and Energy Efficiency (84%) reflect our dedication to environmental stewardship.

In September 2024, the KPREIT team participated in International Coastal Cleanup Day by joining the Jamaica Environment Trust's (JET) flagship

beach cleanup at the Palisadoes Go-Kart Track—our annual participation since 2018 underscores a deep commitment to supporting the protection and preservation of the environment. We are proud that our volunteering helped to remove over 70 lbs of debris from the coastline. The contribution of many small teams like ours significantly impacts the preservation of Jamaica's marine ecosystems.

FUTURE COMMITMENT

Looking ahead, we remain committed to environmental sustainability. We will complete our solar energy project to reduce our carbon footprint and increase renewable energy use. Our team is committed to nurturing the expansion of our successful recycling programme to more schools and encouraging environmental responsibility among students. There are also plans to maintain and enhance recycling at our properties.

Internationally, our green initiatives will extend to our properties abroad, with a particular focus on our UK operations. We will continue improving energy and water efficiency to lower consumption and operational costs. Additionally, we will participate actively in environmental preservation projects.

Through these actions, we continue our commitment to sustainable practices and environmental responsibility.

KPREIT will continue to explore innovative solutions that enhance sustainability across our portfolio, reinforcing our position as a responsible leader in the real estate sector. Visit www.kpreit.com to read our Green Policy.



KEY ACHIEVEMENTS AT A GLANCE:

- **Sustainable Procurement:**

Office supplies were sourced from manufacturers using recycled materials, reducing our environmental footprint.

- **Energy Efficiency:**

We invested in energy-efficient equipment and upgraded outdated systems, enhancing sustainability across our operations.

- **Waste Reduction & Recycling:**

Through company-wide initiatives, we reduced waste by 5% by promoting recycling and composting. Our team also conducted stakeholder training sessions on recycling and waste management.

- **Community Engagement:**

We expanded our recycling programme to the Riverton Early Childhood Centre, donating bins and coordinating waste collection through Recycling Partners of Jamaica. Additionally, we continued to monitor recycling projects at all our adopted schools, reinforcing sustainability education in local communities.





SOCIAL RESPONSIBILITY INITIATIVES



In total, KPREIT's social initiatives for 2024 amounted to JMD 1,600,000.

30

Meaningful social responsibility initiatives are key to building resilient and thriving communities. Our 2024 social impact programmes focused on education, community development, and improving the welfare of vulnerable populations.

EDUCATION AND NUTRITION

Support for Education and nutrition programmes remained a priority throughout 2024. At Callaloo Mews Basic School, we funded a lunch programme to give students the right start with proper nutrition, improving their health and school attendance. Additionally, we sponsored a summer school at Riverton Early Childhood Centre and provided recycling bins to encourage early environmental responsibility. At Orange Hill Primary School, our scholarship support recognised and encouraged academic excellence among top-performing PEP students.



"Thanks to the staff, students, and wider school community who have benefitted directly from our annual summer school programme. Your contribution has helped us to provide enriching experiences for our students while fostering creativity and learning in a safe and nurturing environment."

Junior Rowe, JP - Principal of the Riverton Meadows Early Childhood Centre

COMMUNITY SPORTS AND DEVELOPMENT

In collaboration with The Veronica Murray Foundation, KPREIT supported a community basketball competition, empowering local youth through sports.

"KPREIT's support has elevated the profile of our annual basketball competition and helped to showcase our community's talent, passion, and purpose. We now have a powerful platform for our young athletes to shine, gaining recognition and inspiration to pursue their dreams. Their commitment to our community is truly valued, and we look forward to continuing our partnership." Andrea S Murray

- Director of The Veronica Murray Foundation



HOUSING AND COMMUNITY WELFARE

Our contribution to community welfare included donating a house to a family in Callaloo Mews in partnership with Food For The Poor. This donation significantly improved the beneficiary family's living conditions and overall stability. We look forward to helping many more families in years to come.

FUNDRAISING SUPPORT

We also supported a fundraiser hosted by Glenmuir High School, demonstrating continued dedication to enhancing educational opportunities wherever needed.

Overall, KPREIT invested JMD 1,600,000 in social initiatives for 2024, reflecting our enduring commitment to community support and sustainable social impact. We look forward to continuing

these efforts and strengthening our community partnerships in the years ahead.





United Nations

SUSTAINABLE DEVELOPMENT GOALS 2030





GOVERNANCE PERFORMANCE

We are committed to upholding the highest standards of corporate governance and transparency. Our Board, comprising diverse, experienced, and skilled professionals, oversees the company's operations and ensures strict adherence to legal and ethical norms.

Our comprehensive risk management framework has enabled KPREIT's leadership to proactively identify and mitigate operational risks, including environmental, social, and governance (ESG) concerns. We have continuously enhanced our policies and procedures, particularly those safeguarding whistleblowers, preventing corruption and bribery, and ensuring ethical business practices.

CORE GOVERNANCE PRINCIPLES

KPREIT's governance framework is guided by:

- Equitable treatment of all shareholders
- Transparent, accurate, and timely communication with shareholders, regulatory bodies, and the general public about our activities and governance commitments.
- Independence of the Board and Executive Management, with clearly defined responsibilities. The Board is comprised exclusively of independent directors.
- Continuous monitoring to promptly address and resolve potential conflicts of interest.

ANNUAL GOVERNANCE REVIEW



In our annual governance evaluation, the board assessed internal controls, business continuity strategies, communication policies, risk management frameworks, and compliance with the Private Sector Organization of Jamaica (PSOJ) Corporate Governance Code and the Jamaica Stock Exchange (JSE) Corporate Governance Index. Our current corporate governance index score is 87.63%.

BOARD OF DIRECTORS

Our director selection and review process rigorously adheres to JSE and PSOJ standards. Directors are chosen based on expertise, judgment, character, and independence, ensuring alignment with our mission and vision. In 2024, the Board comprised seven non-executive, independent directors.

Directors fall into three categories:

1. Independent Director (I):

A board member who (i) has not been employed by the company for at least five years before their appointment and (ii) is not related to any employee of the company.

2. Non-Executive Director (NE):

A board member who receives remuneration from the company only through board attendance fees or dividends from personal shareholdings.

3. Executive Director (E):

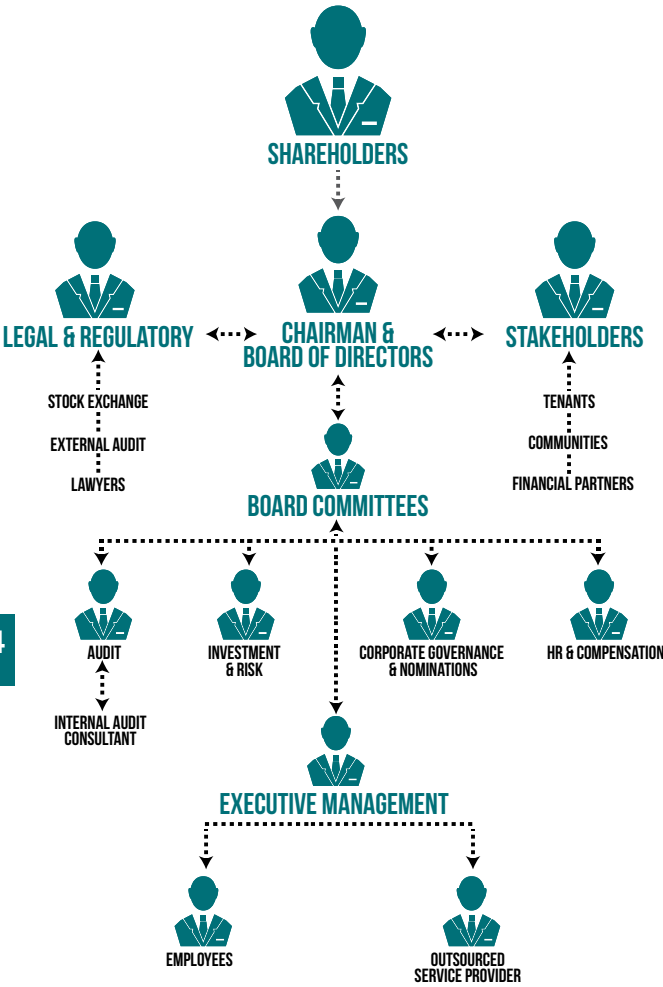
A company executive management board member.

BOARD RESPONSIBILITIES

The Board diligently oversees corporate governance, focusing on risk management, financial performance,



operational efficiency, and legal compliance to enhance shareholder value.



34

STRATEGIC IMPERATIVES

- Review the strategic plans presented by executive management
- Make balanced, well-informed decisions considering stakeholder interests
- Provide robust reporting channels for non-compliance activities
- Adhere to and promote sound governance principles and practices

PERFORMANCE AND CONDUCT

- Conduct regular risk management assessments
- Monitor related-party transactions to ensure fairness and transparency

ORGANISATION AND ACTIVITY

- Periodically review and monitor company policies
- Regularly review and update internal control mechanisms

- Maintain regulatory compliance
- Oversight approval processes for property acquisitions and disposals

BOARD COMPOSITION AND OPERATIONS



The Board, chaired by non-executive Chairman Mr. Garfield Sinclair, meets bi-monthly. Minutes, management accounts, and comprehensive operational reports are received at each meeting. Additional meetings occur as required to address critical matters.

The composition guidelines remain:

1. A Non-Executive Board Chairman
2. Directors with diverse commercial and financial expertise, including real estate, asset management, law, and finance
3. Independent directors comprise at least one-third of the Board

Composition is reviewed annually for optimal expertise and experience.

While not a board member, the CEO, Mr. Kevin Richards, is responsible for executing board-approved strategies to enhance shareholder value.

BOARD REMUNERATION AND COMMITTEES

BOARD MEMBERS	BOARD MEETING ATTENDANCE	AUDIT COMMITTEE	INVESTMENT & RISK COMMITTEE	CORPORATE GOVERNANCE	HR & COMPENSATION
MEETINGS HELD	6	4	5	3	2
GARFIELD SINCLAIR	6	4			2
NICOLE FOGA	6			3	2
LISA GOMES	6		5	3	
PETER REID	6		5		2
REZWORTH BURCHENSON	6	4	4		
GLADSTONE LEWARS	6		4	3	
PHILLIP SILVERA	5	4			

Board remuneration remains transparent and equitable, with non-executive directors compensated with US\$3,571 quarterly. No fees are paid for committee meetings, and directors do not participate in share options or incentive schemes.

Committees including Corporate Governance and Nominations, Audit, Human Resources and Compensation, and Investment and Risk support strategic oversight and decision-making. Committee minutes are presented to the full Board for review.

CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE

MEMBERS AND ATTENDANCE AT MEETINGS



Robust corporate governance remains critical to protecting shareholder interests and enhancing value. KPREIT adheres to the PSOJ Corporate Governance Guidelines and JSE recommendations.

Corporate Governance documents can be accessed at www.kpreit.com.

COMMITTEE COMPOSITION

The committee, chaired by Director Lisa Gomes, consists of three independent non-executive directors and met three times during the reporting period.

COMMITTEE REPORT

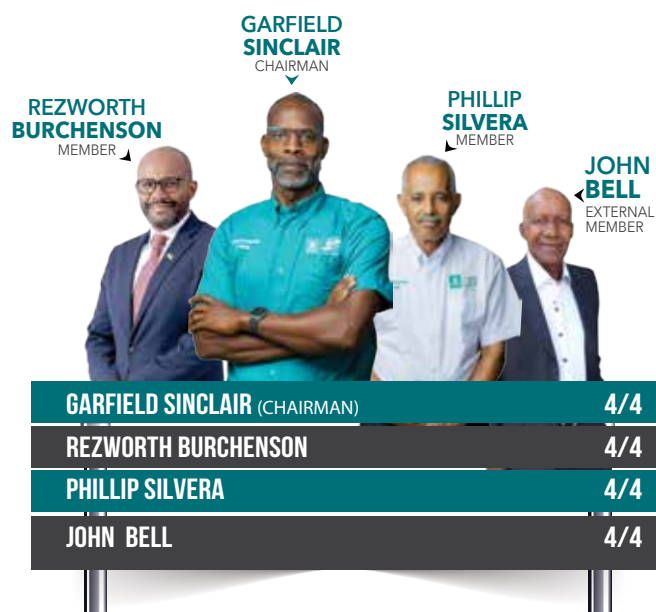
During the current reporting period, the committee reviewed the following:

1. **Group's Corporate Governance Policy and Board Charter**
2. **Policy on Board appointments**
3. **JSE Corporate Governance Index Report**
4. **Board Compensation Policy**
5. **Conflict of Interest and Whistleblower Policies**
6. **Corporate Governance training proposals**
7. **Reviewed Sexual Harassment Policy and Data Protection Policy, recommending amendments for board approval.**

The Board approved all committee recommendations.

AUDIT COMMITTEE

MEMBERS AND ATTENDANCE AT MEETINGS



The Audit Committee, chaired by Mr. Garfield Sinclair and comprising three non-executive directors and one external co-opted member, meets quarterly.

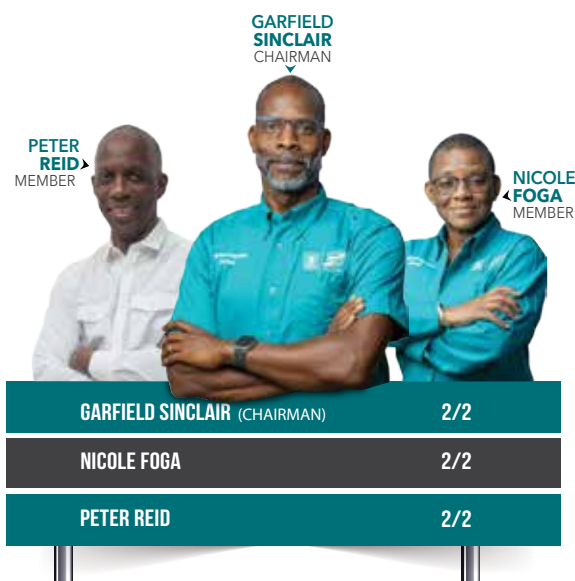
COMMITTEE REPORT

Activities included:

- **Reviewing audited financial statements**
- **Approving external auditors' engagement terms and fees**
- **Ensuring financial reporting standards**
- **Evaluating internal controls and identifying improvements**
- **Reviewing Management Discussion & Analysis Statements**
- **Assessing group valuation policies**

HUMAN RESOURCES & COMPENSATION COMMITTEE

MEMBERS AND ATTENDANCE AT MEETINGS



Comprising three independent non-executive directors, this committee meets at least once annually.

COMMITTEE REPORT

The committee:

- Reviewed CEO performance
- Approved employee compensation packages
- Reviewed HR management systems
- Assessed health and wellness initiatives

INVESTMENT & RISK COMMITTEE

MEMBERS AND ATTENDANCE AT MEETINGS

GLADSTONE LEWARS

MEMBER

PETER REID

CHAIRMAN

LISA GOMES

MEMBER

REZWORTH BURCHENSON

MEMBER

PETER REID (CHAIRMAN)	5/5
LISA GOMES	5/5
REZWORTH BURCHENSON	4/5
GLADSTONE LEWARS	4/5

The Investment & Risk Committee, composed of four directors, provides oversight on the investment and financing strategy for the Company's assets and ensures compliance with agreed-upon policies and targets.

COMMITTEE REPORT

During the year, the committee met five times, including one special meeting, and engaged in the following activities:

1. Reviewed the portfolio performance
2. Reviewed several prospective acquisitions
3. Reviewed several terms for loan refinancing from several financial institutions

COMMITTEE ACTIVITIES AND DIRECTOR TRAINING

The management team provides Directors with various real estate market trends and outlook reports at all board meetings and macroeconomic

updates on the jurisdictions in which the Company owns properties or is targeting for acquisition. The directors reviewed the following articles as part of their training for the year: Board Diversity and Enterprise Risk Management: Study in Emerging and Developed Countries by Abdul Ghofar and Board Practices Quarterly: Evolving lines of responsibility between the board and management by Deloitte and Society for Corporate Governance.

INTERNAL AUDIT



The Company emphasizes monitoring and managing risks, primarily through oversight by the Audit Committee and the Investment and Risk Committee. The internal audit function is carried out by external consultants independent of the organisation. In 2024, the Group undertook an extensive review of its tenant selection and management processes, fundraising activities, acquisition and divestment, property and financial management, and investor relations.



CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION

Every Director is expected to act ethically, with integrity, and in good faith in exercising his or her powers and discharging duties in the Company's and its shareholders' best interest. The Board recognises that private and/or personal interests can impact a Director's ability to make objective decisions in the Company's best interests. Directors are therefore required to avoid conflicts of interest and the appearance of such conflicts.

The Company's Conflict of Interest Policy provides a transparent framework to guide individual directors. Each year, directors are required to sign a Conflict of Interest Statement. In addition, directors must declare any conflict of interest at the start of each board meeting.

View our Conflict of Interest policy at: www.kpreit.com.



WHISTLEBLOWER POLICY

KPREIT is committed to maintaining the highest standards of integrity, ethics, and transparency. We are big on maintaining a culture of open communication at all

levels and with our stakeholders. As part of this commitment, we established a whistleblower policy in 2019 (and further amendments were made in 2023) to provide employees, contractors, and other stakeholders with a safe and formal means to report any concerns regarding potential violations of laws, regulations, or company policies without fear of retaliation or exposure. The management team, in consultation with the Board of Directors, conducted a review of the policy and completed updates with a special focus on the following areas:

- Encourage all individuals to report concerns through multiple channels, including direct communication with a supervisor or any leadership team member or through an anonymous reporting system.
- Commit to protecting the identity and confidentiality of whistleblowers to the extent possible, and will not tolerate retaliation or adverse action against individuals who report concerns in good faith.
- Designate company personnel to promptly and thoroughly investigate all reports. If a violation is substantiated, appropriate actions will be taken to address and resolve the concern, including but not limited to corrective action, disciplinary measures, and legal remedies.
- Prohibit retaliation against individuals who report concerns in good faith. Any employee found to have engaged in retaliation will be subject to disciplinary action, up to and including termination.
- Commit to ensuring that all employees and contractors have access to and understand this policy. As required, we will also provide training and reminders to encourage compliance.

KPREIT will protect the confidentiality of individuals involved in the investigation and resolution process to the extent possible and will only disclose information on a need-to-know basis.

We remain dedicated to maintaining a culture of integrity and accountability that encourages all stakeholders to come forward and report

any concerns in good faith. Segments of the organisation's quarterly staff meeting involve an outline of the organisation's core policies, and each team member is given a handbook of all policies at the commencement of their employment with the organisation.

DIVIDEND POLICY



Our dividend policy is to pay up to 90% of total Funds From Operations (FFO) in dividends to shareholders on record.

The declaration of dividends is at the absolute discretion of the company's board of directors. Dividends are subject to available cash flow and any need the Company may have, from time to time, to reinvest earnings as part of its growth strategy. The board reviews the dividend payout level annually to increase the payout level in line with the standard for REITs globally.

Dividends may be paid twice annually, with the final dividend being paid once audited financial statements have been submitted to the JSE.

37

COMMUNICATION WITH STAKEHOLDERS



We maintain a policy of regular communication with our key stakeholders, including shareholders, tenants, the Jamaica Stock Exchange, our financiers, and prospective investors, to ensure that they are well-informed about the company's activities and performance.

Our current communication channels include the Company's website, annual and quarterly financial reports, and various disclosures and announcements to the Jamaica Stock Exchange that are also distributed via email to shareholders and the media. We remain very responsive to shareholders' questions and comments, which we receive via email, telephone, and direct social media messages.

Our digital transformation is a continuous project driven by the desire to nurture investor relations initiatives and boost engagement. In 2024, we provided regular real estate news to shareholders and held one Earnings Call hosted by Learn Grow Invest that highlighted KPREIT's record performance, and new developments. We also updated the general

public on the latest market conditions and trends from real estate markets worldwide.

We continue to embrace digital transformation, and during the year, we deepened our digital presence to reach a diverse and global audience. KPREIT's social media channels continue to grow with increased activity and a cohesive content strategy resulting in over 4,000 new followers. These activities support our tagline, *"gateway to global real estate investing."*

Summary of KPREIT's Governance Performance at a Glance:

- **Maintained a code of conduct that was communicated to all team members, suppliers, and contractors.**
- **Received no reports of unethical behaviour through the updated whistleblower policy;**
- **Hosted one virtual investor briefing via YouTube; available on demand after live event;**
- **Improved communication with shareholders, resulting in a notable increase in website traffic, over 4,000 new followers (combined) across our social media platforms, and over 2.7 million total impressions.**

FUTURE GOALS



We remain committed to enhancing our Environmental, Social, and Governance (ESG) performance and reporting. Over the coming years, we have identified clear objectives to advance these commitments. By 2025, we plan to increase our use of recycled office supplies, ideally sourced locally, by at least 5%. Additionally, we intend to raise our investments in renewable energy by a minimum of 20%, reinforcing our dedication to environmental sustainability.

We will also continue to expand our recycling initiatives to include all KPREIT-adopted schools to extend our environmental impact within the communities we serve. To further enhance operational efficiency and environmental responsibility, we will acquire more energy-efficient equipment and systematically replace outdated systems to minimize

our environmental footprint. Simultaneously, we aim to reduce our overall waste by 10% through active promotion of recycling and composting practices.

On the social front, our goal is to double our team's volunteer hours, increasing our involvement and support in community initiatives. We also plan to boost financial contributions to support both new and ongoing community projects that reflect our company's core values. Improving our governance structure remains a priority. We will continue to regularly review and refine our policies and procedures, adopting industry best practices to ensure strong and effective governance.



Looking ahead, KPREIT is dedicated to maintaining the highest governance standards and delivering long-term value for our shareholders and stakeholders. Our ongoing efforts to strengthen governance practices and pursue strategic initiatives position us effectively in the dynamic global real estate market.

As our company continues to evolve, ESG principles will remain a foundational part of our strategy, guiding us toward sustainable growth and meaningful value creation. We remain committed to transparency in communicating our governance progress and look forward to contributing further to a sustainable and responsible future.

MEET THE TEAM

OUR MANAGEMENT TEAM



NEICHELLE SPENCE > LATTIBEAUDIERE

GENERAL COUNSEL &
COMPLIANCE MANAGER
Tenure: 2 1/2 years

Mrs. Spence Lattibeaudiere is tasked with managing the company's legal, compliance and regulatory portfolios in Jamaica, the Cayman Islands, and the United States, and the United Kingdom.



< ROXANNE KELLY FINANCIAL CONTROLLER Tenure: 7 years

Ms. Kelly is responsible for the financial operations of the company, producing periodic financial reports, maintaining an adequate system of accounting records and a comprehensive set of controls to mitigate risk and enhance the accuracy of the company's financial results.



> JOVAUGHN ROSE PROPERTY & PROJECT MANAGER Tenure: 4 years

Mr. Rose is charged with leading the development and implementation of the company's Sustainable & Safety Policies. A major part of his portfolio is to Manage Capital and Major Maintenance Projects with a clearly defined scope of works and deliverables, to the KP Standards which aligns with our strategy.



ANDRAY FRANCIS < GROUP CHIEF FINANCIAL OFFICER Tenure: 5 years

Mr. Francis leads the Group's financial planning, information technology and risk management strategies, including the optimization of corporate structure and management controls to achieve sustainable growth.



> KEVIN RICHARDS, CCIM GROUP CHIEF EXECUTIVE OFFICER Tenure: 10 years

Mr. Richards is tasked with providing leadership and driving the strategic objectives of the company to maximize shareholders' value.



> TATESHA ROWE SENIOR EXECUTIVE OPERATIONS Tenure: 15 years

Mrs. Rowe leads the Administration and Property Management functions of the company including stakeholder relations, human resources management, culture, training and development with the ultimate responsibility to increase operational efficiency.

OUR STAFF

TANYA WILLIAMS
Office Attendant

TEANNA CARD
Junior Administration
Officer

KELSIE STERLING
Senior Accounting Officer

LEMAR REID
Real Estate Analyst

ANDRA HART
Property Officer

NICHELLE JACKSON
Accounting Officer

CHADWICK BROWN
Investment and
Risk Analyst

40



*Teamwork is the ability to work
together toward a common vision.
The ability to direct individual
accomplishments toward
organizational objectives. It is the fuel
that allows common people to attain
uncommon results.*

- Andrew Carnegie



OUR PEOPLE MATTER

Our people are at the heart of our success.



41

We recognize that an engaged, well-supported, and continuously developing workforce is critical to achieving our strategic objectives. As we continue to grow, we remain committed to fostering a workplace culture that promotes professional growth, well-being, and collaboration.

OUR TEAM

As of 2024, Kingston Properties Limited employed 12 team members who play a vital role in driving the company's vision forward. In keeping with our commitment to talent development, we successfully transitioned an intern into a permanent role as Junior Real Estate Investment Analyst in August 2024. While the team composition is dynamic, we remain dedicated to attracting and retaining top-tier talent within the industry.

EMPLOYEE ENGAGEMENT & WELL-BEING

Our approach to employee engagement is holistic, recognizing the importance of mental, physical, and

emotional well-being. We have continued to provide access to 24/7 confidential counseling services through SilverOak Health and mindfulness training via the Tranquil App. Employees benefit from a daily 30-minute mental health break, weekly devotion sessions, and access to a designated wellness area for relaxation.

To support physical well-being, our team actively participates in challenges facilitated through the Wellable corporate wellness platform, including fitness and mental health activities. We also ensure that essential resources are available for staff and tenants, reinforcing our commitment to employee care.

TEAM BUILDING & STAFF ACTIVITIES

Fostering camaraderie among our team members is a priority. Our quarterly staff meetings provide an opportunity for updates on the company's affairs, public speaking practice, and engagement with non-profit organizations. Through our Accountability Partner Programme, team members are paired in groups with an Executive mentor to build relationships and provide peer support.

LEARNING & DEVELOPMENT

We believe that continuous learning is key to driving innovation, improving performance, and maintaining our competitive edge in the real estate and investment sector. In 2024, we implemented a structured training programme designed to enhance financial literacy, leadership development, sustainability awareness, and technological proficiency.

PROMOTING FINANCIAL & BUSINESS ACUMEN

Understanding financial principles is essential for making informed decisions that drive profitability and efficiency. Our Financial Management Training (facilitated by Gladstone Johnson - GrowJa) equipped employees with tools for better fiscal responsibility, while the Taxation Seminar (led by ICAJ) provided critical insights into compliance and tax obligations. Additionally, Green Business Jamaica Training (facilitated by Johnil Morgan - NEPA) aligned our team with sustainable investment practices, ensuring our business operations support long-term environmental stewardship.

ENHANCING LEADERSHIP & PERSONAL GROWTH

Strong leadership and interpersonal skills are integral to fostering a high-performing team. In October, employees participated in Personal Development Workshops focused on conflict management, communication, and emotional intelligence, enhancing collaboration and workplace dynamics. To further cultivate strategic decision-making, managers and executives engaged in the Maxwell Leadership Game (led by Gladstone Johnson - GrowJa), refining leadership approaches to drive operational success.

STRENGTHENING HR & COMPLIANCE KNOWLEDGE

To ensure adherence to best HR practices, Human Resource Management Diploma training (via UDEMY) empowered our HR personnel with advanced strategies for employee engagement and policy implementation. The Labour Laws Training (facilitated by Emile Leiba - Dunn Cox) reinforced managers' understanding of employment regulations, ensuring a compliant and equitable work environment.

BUILDING TECHNOLOGICAL RESILIENCE

As digital security threats evolve, equipping employees with cybersecurity knowledge is a business imperative. Our Cybersecurity Training (led by Humphrey Bryant) provided all staff with essential strategies for protecting company data and maintaining a secure digital environment.

ENCOURAGING PROFESSIONAL DEVELOPMENT

We take pride in employees who take initiative in their professional growth. This year, two team members pursued advanced learning independently:

- **Kevin Richards** - Commercial Real Estate (CCIM)
- **Neichelle Spence Lattibeaudiere** - Data Protection Officer Certification

Through these diverse training programmes, KPREDIT continues to empower its workforce with the expertise required to enhance company performance, mitigate risks, and drive sustainable growth.

POLICIES & COMPLIANCE

Our HR policies are designed to maintain a fair, supportive, and legally compliant workplace. In 2024, we ensured that all employees were briefed on key policies, including:

- **Occupational Health and Safety**
- **Technology Resource Use**
- **Sexual Harassment**
- **Remote Work**
- **Paternity Leave**

We also conducted staff-wide discussions on our Employee Handbook and Whistleblower Policy to reinforce transparency and accountability within the organization.

KPREDIT: WORKPLACE OF CHOICE

Our annual staff survey resulted in an 87% overall satisfaction rating among staff. The survey assessed critical areas such as organizational culture, training opportunities, staff welfare programs, relationships with coworkers and supervisors, and the adequacy of tools and resources. Responses reflected generally positive sentiments, highlighting strengths

in workplace relationships and company culture. However, the survey also identified specific areas for further improvement, particularly in training initiatives and resource allocation, guiding KPREIT's continued efforts to enhance employee experience and organizational effectiveness.

COMMITMENT TO EXCELLENCE

As we move forward, KPREIT remains committed to nurturing a workplace that values employee well-being, professional development, and a culture of inclusivity and innovation. By investing in our people, we ensure that our team remains equipped to meet the evolving needs of the company and our stakeholders.



“

**Success in real estate comes
down to two factors:
taking care of and valuing the customer.**

- Michael Miedler





**KINGSTON
PROPERTIES
LIMITED**

MANAGEMENT DISCUSSION & ANALYSIS

45



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP

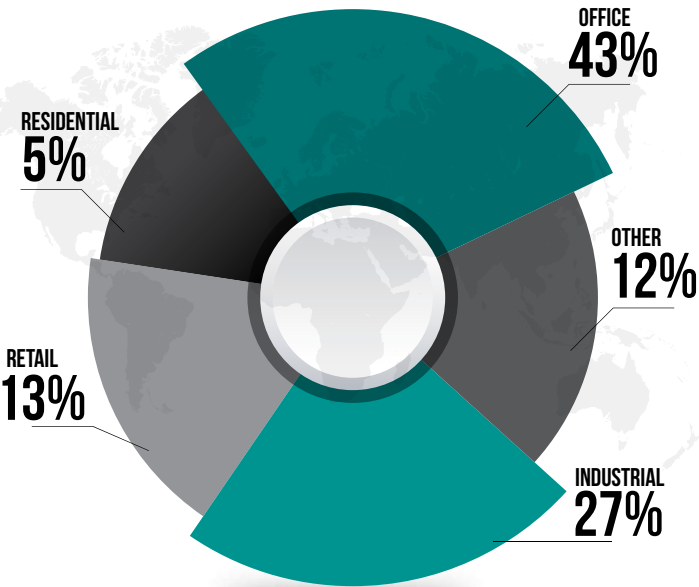
46

Kingston Properties Limited achieved another year of solid financial performance in 2024, reflecting strategic portfolio expansion, disciplined risk management, and continued diversification of investments. Despite global economic uncertainties, the Group maintained strong revenue growth, increased profitability, and expanded its portfolio across key geographic regions. This included maiden acquisitions in the United Kingdom and Downtown, Kingston, Jamaica. As part of our dynamic investment strategy, we executed a strategic divestment in the Cayman Islands and deployed those proceeds into new acquisitions and distributions to shareholders. During the year, the Group launched its first greenfield development project in Jamaica at Rousseau Road, which is expected to further boost revenue generation in the coming years further.

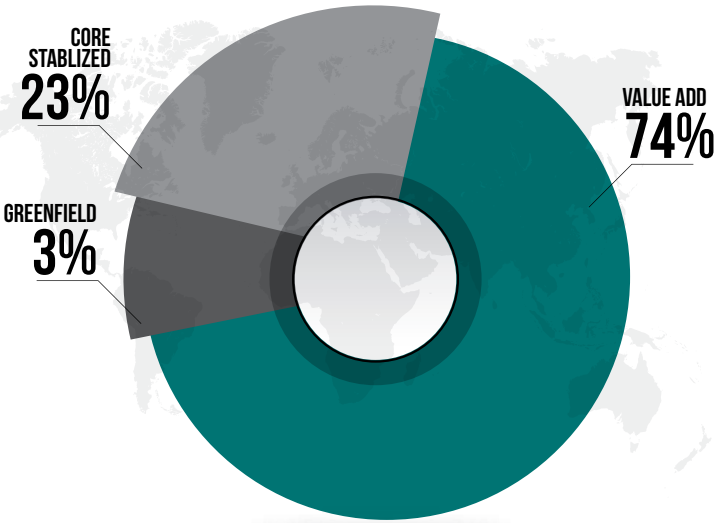
The Group experienced strong growth, significantly increasing total assets under management. This growth was driven by a rise in Investment Properties, supported by strategic acquisitions. While operating expenses increased due to higher direct property and administrative costs, the Group’s focus on efficiency led to a notable rise in operating profit, primarily due to revaluation gains and rental escalations.

We remain committed to prudent risk management and mitigating economic uncertainties, interest rate fluctuations, and tenant credit risks. The Group successfully refinanced portions of its debt at competitive rates while maintaining a conservative debt-to-equity ratio. Looking ahead, we aim to further optimise our property portfolio, leverage emerging opportunities in high-growth sectors, and enhance shareholder value through sustainable investment strategies. With the completion of the Rousseau Road development and additional strategic acquisitions on the horizon, we are well-positioned for continued earnings growth and success in the dynamic real estate market.

SUB SECTOR PORTFOLIO DISTRIBUTION BY VALUE

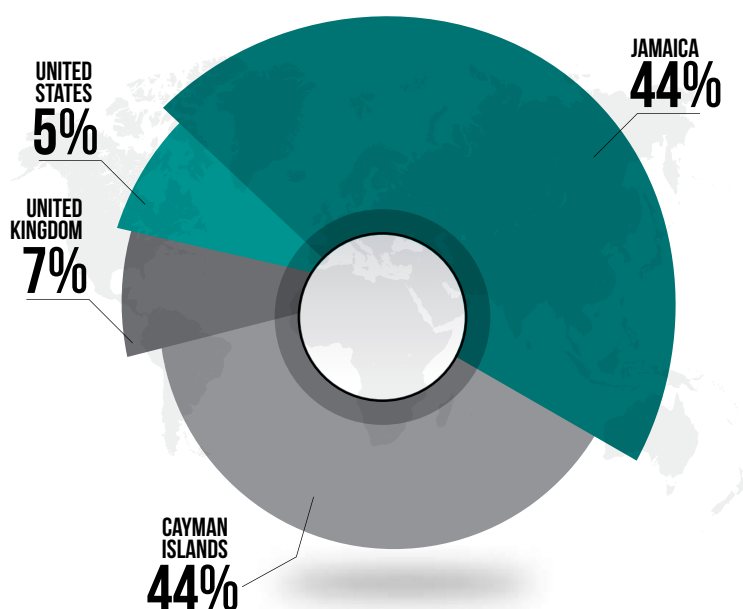


PORTFOLIO BY TYPE



With the acquisition of Aztec in the United Kingdom and the Duke Street properties in Jamaica, our holdings in Jamaica increased to 44% in 2024, and the UK acquisition represents 7% of our overall portfolio.

PORTFOLIO DISTRIBUTION BY GEOGRAPHY



FINANCIAL PERFORMANCE INCOME STATEMENT

Kingston Properties experienced a 21.6% increase in operating revenue, reaching \$4.84 million, compared to \$3.98 million in 2023. This growth was primarily driven by higher rental income from newly acquired properties and annual rent increments. Rental income alone rose by 22.9%, climbing to \$4.72 million from \$3.84 million in 2023, showcasing the Group's capacity to generate stable cash flows.

Operating expenses increased by 35.1%, totalling \$2.07 million, up from \$1.53 million in 2023. This rise was mainly due to higher property maintenance and administrative costs. Improvements in fair value gains on investment properties and rental escalations led to a 27.8% increase in operating profit which reached \$2.77 million.

Fair value gains on investment properties amounted to \$3.05 million,

reinforcing our strategy of targeting high-growth real estate markets. Additionally, the Group recorded an increase of \$1.53 million from the disposal of the units in Tropic Centre in the Cayman Islands. Most units were sold before the closure of the 2024 fiscal year, with the last unit sold in January 2025. Net finance costs rose to \$1.44 million, up from \$0.68 million in 2023, primarily due to increased borrowing to finance acquisitions and development projects.

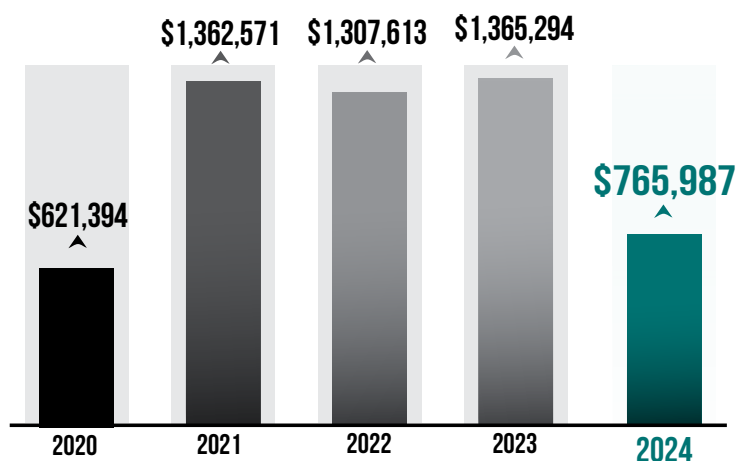
The Group's EBITDA, a key profitability metric that provides insight into operational efficiency, increased to \$6.86 million in fiscal year 2024, up from \$5.37 million in 2023, reflecting a growth of 27.6%. This figure includes \$3.05 million in fair value gains for 2024, compared to \$2.62 million in 2023. This improvement indicates the Group's ability to scale revenue while maintaining cost efficiencies. The growth in EBITDA was however tempered by a 110.9% year-over-year increase in Net Finance Costs (NFC), totalling \$1.44 million in 2024 compared to \$0.68 million in 2023.

The EBITDA margin, calculated as EBITDA divided by total revenue, improved to 141.6% in 2024 from 134.9% in 2023. This increase highlights KPREIT's ability to generate higher earnings from its core operations, demonstrating operational strength despite rising property maintenance costs and fluctuations in interest rates.

YEAR-END FINANCIAL HIGHLIGHTS

	12 MONTHS TO DECEMBER 31, 2023	12 MONTHS TO DECEMBER 31, 2024
	USD	USD
Rental Income (USD)	\$3,837,090	\$4,717,392
Net Operating Income	\$2,450,477	\$2,772,001
Fair Value Gains on Investment Property	\$2,619,865	\$3,047,418
Pre-Tax Profit	\$4,669,063	\$5,399,753
Net Profit	\$4,647,516	\$5,374,183
Funds From Operations	\$1,365,294	\$765,987
Total Comprehensive Income	\$4,647,516	\$5,374,183
Total Equity	\$47,874,393	\$51,812,957
Investment Properties	\$61,952,506	\$75,724,463
Investments at Fair Value through Profit or Loss	\$4,864,683	\$4,443,626
Net Operating Margin %	62%	57%
Dividends Paid	\$1,367,553	\$1,435,619
Closing Stock Price (JMD)	\$7.80	\$9.43

FUNDS FROM OPERATION (FFO)



48

Funds from Operations (FFO) are a key indicator of our financial performance, as they adjust net income for non-cash expenses such as depreciation and gains or losses from property sales. In 2024, FFO fell to \$0.77 million, a decline of 43.9% from the previous year's figure of US\$1.37 million. This decrease was primarily driven by increased interest expenses, one-off expenses due to vacancies, and the impact of one tenant becoming bankrupt during the year. The fair value gain on investment properties rose to \$3.05 million in 2024, up from \$2.62 million in 2023. Additionally, the company recorded a higher gain from the disposal of investment properties, reporting \$1.53 million in 2024 compared to \$0.44 million in 2023. Since FFO excludes gains from property sales, this contributed to the overall reduction in FFO.

KPREIT achieved a record net profit of \$5.37 million in 2024, a 15.6% increase from \$4.65 million in 2023. This increase was fuelled by higher rental income, a \$3.05 million gain in property valuations due to strong market appreciation, and the \$1.53 million gain from property disposal.

STOCK PRICE AND DIVIDENDS

In the first half of 2024, the Bank of Jamaica (BOJ) maintained its policy interest rate at 7.00% to ensure economic stability. However, in the latter half of the year, the BOJ gradually reduced the rate, ending at 6.00%. These rate cuts were implemented as inflation stabilised, the effects of which were reflected in the 3.1% YoY increase on the JSE Main Index. By comparison, the KPREIT stock price closed the 2024

year at J\$ 9.43 per share, representing a 21% increase over the comparative year-end 2023. Earnings per share (EPS) for the financial year 2024 amounted to \$0.0061 or J\$0.95 compared to \$0.0053 or J\$0.82 in 2023, representing a 15.1% growth year over year.

BALANCE SHEET

As of December 31, 2024, the Group's total assets under management (AUM) rose 22.0% year-over-year, reaching \$86.60 million, up from \$70.96 million on December 31, 2023. This growth aligns with the Group's strategic development plans. It is primarily driven by Investment Properties (including property held for sale), which amounted to \$76.17 million as of December 31, 2024, compared to \$59.18 million on December 31, 2023, an increase of 28.7%. The net growth can be attributed to higher revaluation gains on specific properties and the acquisition of new assets. Notable investments included purchasing two buildings on Duke Street in Kingston, Jamaica, for \$5.72 million and Aztec West in the United Kingdom for \$5.28 million.

Cash and cash equivalents also increased by 44.9% year-over-year, from \$3.17 million in 2023 to \$4.59 million in 2024, driven by improved operational cash flows from asset sales and net loan proceeds. By the end of 2024, the Group maintained a robust cash balance as part of its cash management strategy, ensuring it could meet all operational and financing obligations while capitalising on emerging investment opportunities.

Total loans payable reached \$33.66 million as of December 31, 2024, up from \$22.21 million on December 31, 2023, representing a 51.6% year-over-year increase. This rise in loan balance resulted from a \$21 million loan provided by CIBC to fund the UK acquisition, alongside the refinancing of existing debt. Our current loan portfolio consists of collateralised bank financing to expand our property holdings, denominated in US and Jamaican dollars from our financial partners in Jamaica and the Cayman Islands. As of December 2024, all loans are at fixed interest rates to effectively mitigate financing risks associated with floating-rate instruments in a high-interest-rate environment. We maintain conservative debt ratios as part of our risk management strategy, with options to refinance our debts when market conditions become more favourable.

Total equity increased by 8.2% over the year ending December 31, 2024, rising from \$47.87 million in 2023 to \$51.81 million in 2024. This growth in equity was fueled by higher profits generated in 2024, resulting in a book value per share of \$0.0586 (J\$9.42) compared to \$0.0542 (J\$8.39) in 2023.

RATIO ANALYSIS

	2023	2024
Net Operating Margin (NOI)%	62%	57%
EBITDA Margin (%)	135%	142%
Profit Before Income Tax Margin %	69%	61%
Rental Income % of Total Investment Property	6%	6%
Operating Expenses as % of Rental Income	40%	44%
Debt to Equity	46%	65%
Debt to Assets	31%	39%
Debt to Investment Properties	36%	44%
Dividend Payout Ratio (% of FFO)	100%	187%
Dividend Yield	3.07%	2.69%

PROPERTY

	2023	2024
591 Spanish Town Road	\$3,360,000	\$3,398,231
36-38 Red Hills Road	\$5,809,737	\$6,418,684
6 East Ashenheim Road	\$6,499,504	\$7,980,000
52-60 Grenada Crescent	\$7,153,982	\$8,136,566
6, 8 - 10 Duke Street	-	\$5,719,929
East Street - Parking Lot	-	\$693,902
232A Spanish Town Road	\$1,889,998	\$1,878,811
Rousseau Road	\$664,542	\$692,543
Tropic Centre One	\$3,351,822	\$448,139
Rosedale Warehouse	\$2,575,000	\$2,575,000
Harbour Centre	\$12,987,757	\$14,077,311
Grand Harbour	\$14,886,573	\$14,886,573
2530 Aztec West	-	\$5,275,730

SUB-TOTAL

\$59,178,916 \$72,161,419

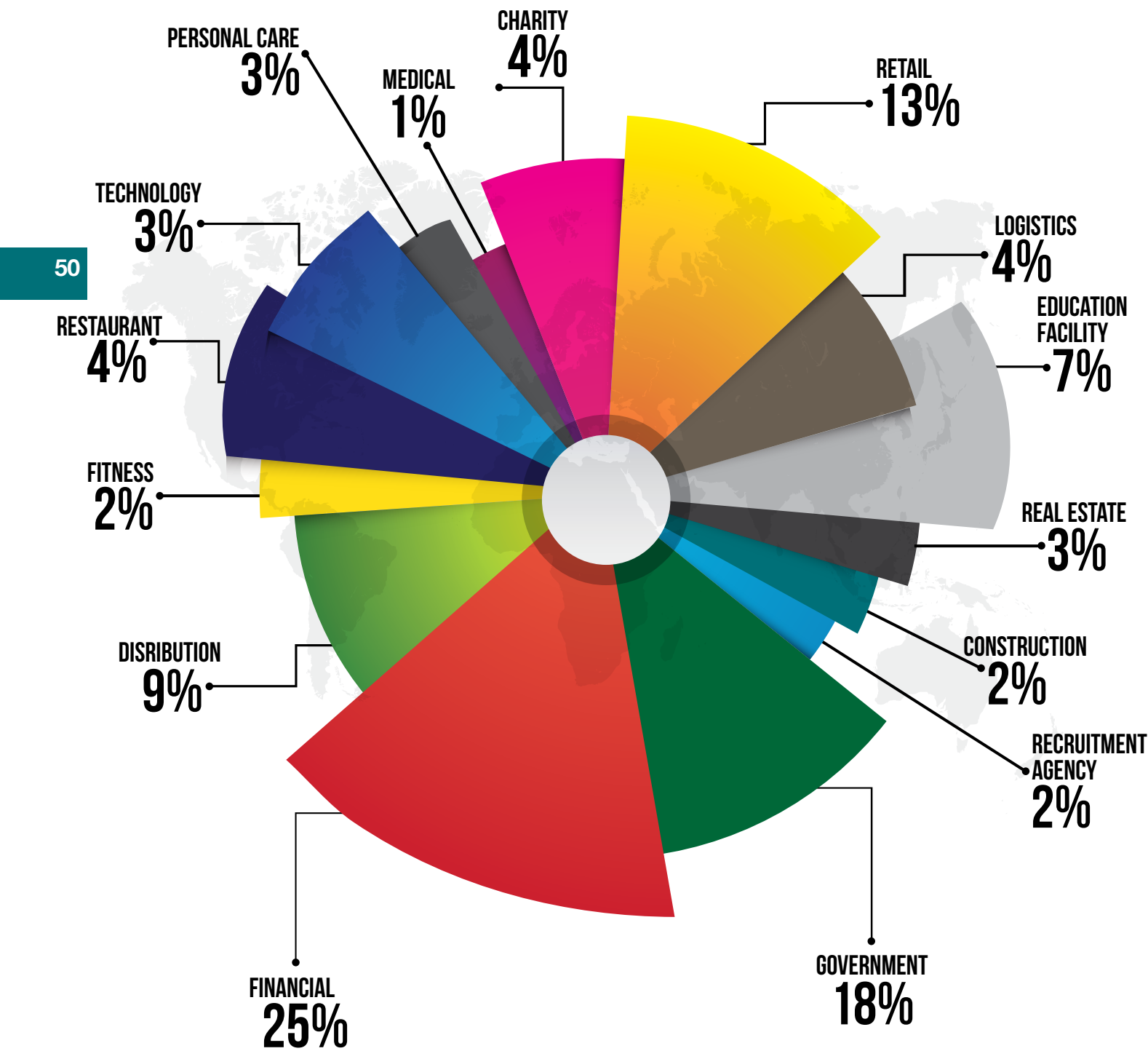
OTHER PROPERTY INVESTMENTS

CGI Fund I	\$1,000,000	\$600,000
Polaris at Camp Creek	\$2,244,659	\$2,451,833
Polaris at East Point	\$1,620,024	\$1,391,793
Gum Tree	\$2,773,590	\$4,011,183

TOTAL

\$66,817,189 \$80,616,228

DISTRIBUTION OF TENANTS BY INDUSTRY AND REVENUE





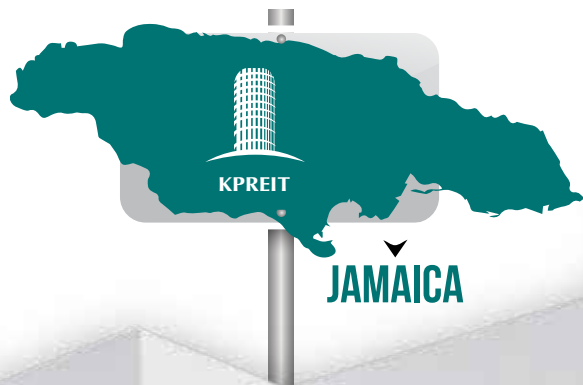
**KINGSTON
PROPERTIES
LIMITED**

PROPERTY PORTFOLIO



51

"The Gateway To Global Real Estate Investing"



52



36 - 38 RED HILLS ROAD

Acquired in December 2011, our flagship Red Hills Road property remains a key piece of our real estate portfolio. This property offers 49,871 square feet of office and warehouse complex on Red Hills Road in Jamaica and is home to six longstanding tenants who form a diverse base of businesses and sizes. The building's proximity to Kingston's Half Way Tree Road corridor makes it one of the main drivers of the strong occupancy. This property also houses Kingston Properties Limited's head office.





591 SPANISH TOWN ROAD

Acquired in 2017, the warehouse and showroom complex remains leased to operators in distribution businesses that have operated in Jamaica for decades in the exact location. The property is located along a corridor slated for continued infrastructure.



53



DUKE STREET PROPERTIES

In August 2024, the group acquired two buildings located at 6 Duke Street and 8-10 Duke Street in Downtown Kingston, Jamaica. The buildings comprise a total square footage of just under 60,000 SF. The East Street parking lot was also acquired which services the occupants of the two buildings.

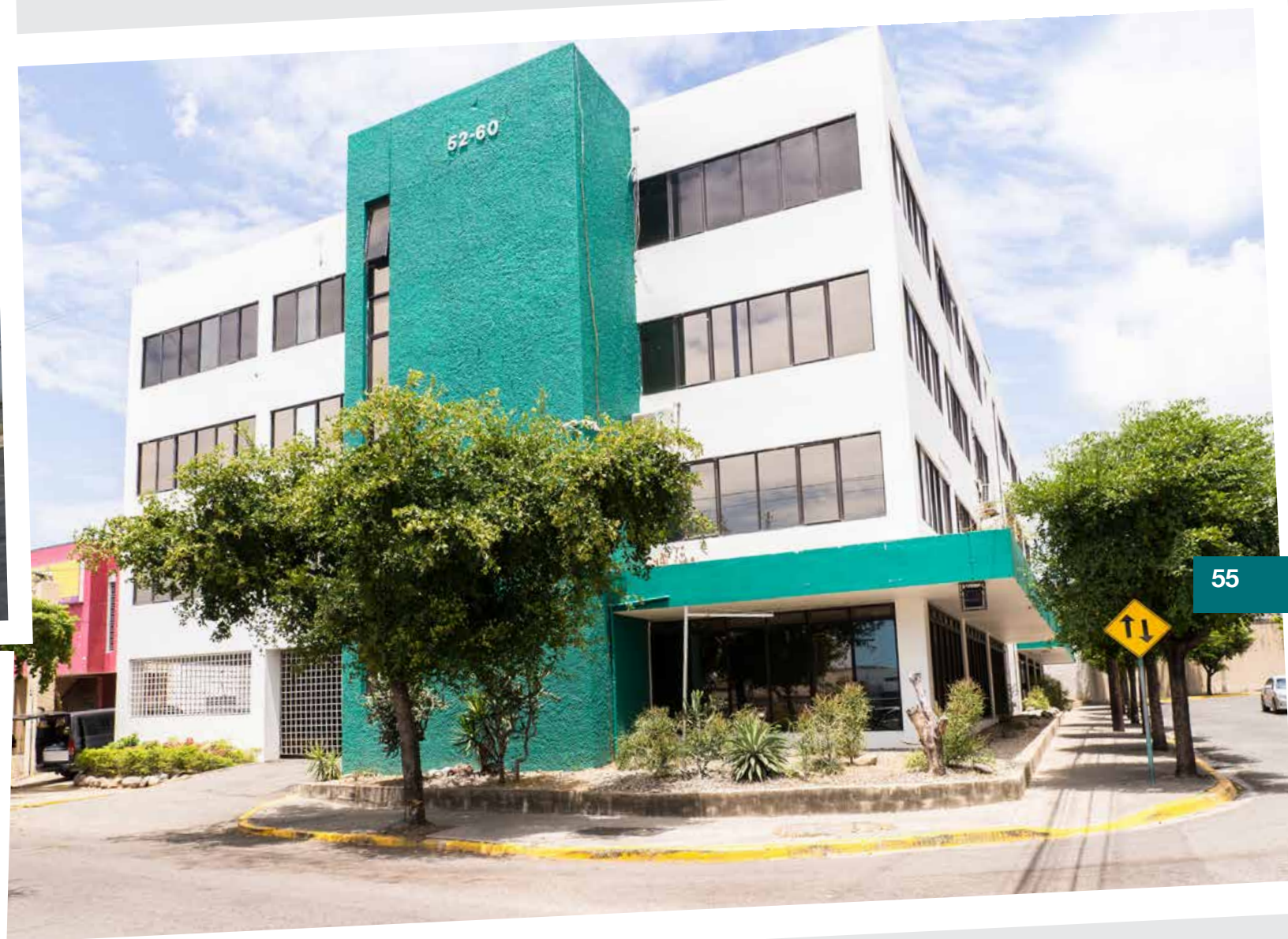
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6 EAST ASHENHEIM ROAD

Acquired in 2020, this is an approximately 86,000 SF warehouse on four (4) acres of land in Kingston's Industrial belt. The property was extensively rehabilitated in 2021 and underwent further renovation in 2022. It houses tenants in the manufacturing and distribution sectors.





52 - 60 GRENADA CRESCENT

Located in the heart of New Kingston's business district, this 31,741-square-foot multi-story office building has undergone significant upgrades since its acquisition in 2018. It is now fully leased exclusively to Government tenants.



ROUSSEAU ROAD

This 1.5-acre property in Cross Roads, St. Andrew, was acquired in November 2021 and being developed to house small-bay warehouse units, a highly sought-after property in that area.



57



232A SPANISH TOWN ROAD

This is a 25,836-square-foot warehouse and office property situated on 2.7 acres along the Spanish Town Road Industrial Belt. It was acquired in 2021 and is currently entirely leased to a government entity.

58



HARBOUR CENTRE

In July 2020, we acquired Harbour Centre, a 30,639-square-foot multi-story office building in the Cayman Islands. The property is leased to banking and funds administration, law, government, and retail firms.





GUM TREE 5

In September 2021, we agreed to acquire three (3) of four (4) preconstruction units in Gum Tree 5, a mixed-use industrial development in the Cayman Islands. The units were completed in June 2024.





60



ROSEDALE WAREHOUSE

In December 2019, we acquired eight fully tenanted units, totalling 8,166 square feet in a warehouse complex in the Cayman Islands. The property is leased to development, construction, and fund administration business operators. It is located along a corridor slated for continued infrastructure development, which we believe will continue to improve the property's value in the medium to long term.



61



GRAND HARBOUR

In September 2023, the Group acquired most units in the Grand Harbour Commercial Centre and an adjoining parking lot. The property is leased to leisure, education, medical, insurance, and retail tenants.





62



KPREIT

UNITED STATES



POLARIS AT CAMP CREEK, GEORGIA

The property comprises 155 units with one, two, and three bedrooms. It is approximately 185,000 square feet, of which the Group owns a stake of approximately 38%.





POLARIS AT EAST POINT, GEORGIA

The property comprises 112 units, a mix of one- and two-bedroom units. It is approximately 92,000 square feet, and the Group owns a stake of approximately 39.5%.



64

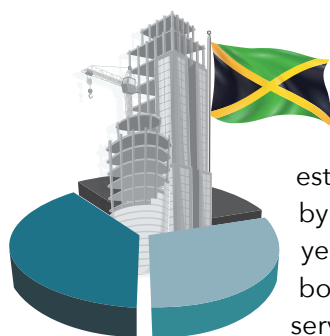


2530 AZTEC WEST BUSINESS PARK

The group closed on acquiring a 20,000-square-foot office building in Bristol, United Kingdom, in December 2024. The property is located in the Aztec West Business Park and attracts major players in the aerospace, defence, engineering, financial services, media, and environment services industries.



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



JAMAICAN ECONOMY

According to the Planning Institute of Jamaica's (PIOJ) estimates, the economy contracted by 0.9% during the 2024 fiscal year, reflecting a downturn in both the goods-producing and services industries.¹ The estimated

Real Value Added for the October- December 2024 quarter showed a reduction of 1.8% compared to the same period in 2023.

Furthermore, the economy is estimated to have contracted between -2.0% and -1.0% for the October-December 2024 quarter, showing a slower pace of contraction than the 3.5% decline recorded for the July- September 2024 quarter. Reductions in industries including Agriculture, Forestry & Fishing, Construction, Wholesale & Retail Trade, and Hotels & Restaurants largely drove this decline. For the fiscal year 2024/25,

real GDP is projected to contract between 1.5% and 0.5% but is expected to rebound by 1.0% to 3.0% in the fiscal year 2025/26. The decline in real GDP is primarily attributed to the impact of Hurricane Beryl and subsequent continuous rainfall.²

Looking ahead, real GDP is forecasted to grow at an average rate of 1.0% to 2.0% from March 2025 to December 2026. In particular, the Mining & Quarrying industry is projected to see the most substantial growth, driven by higher capacity utilisation as operational challenges are addressed. Near-term growth remains in line with prior projections, with weaker growth in Mining & Quarrying, Construction, and Tourism, counterbalanced by stronger performance in Agriculture, Forestry & Fishing, and Manufacturing. For the medium term (fiscal year 2027/28 – fiscal year 2029/30), GDP growth is expected to range from 0.0% to 2.0%, fuelled by modest increases in capital investment but constrained by labour supply growth.³

The nominal exchange rate appreciated during the December 2024 quarter. The weighted average selling rate of the Jamaican dollar against the US dollar closed the December 2024 quarter at J\$156.42: US\$1.00, reflecting a 1.5% appreciation compared to the end of September 2024 but a 1.0% depreciation compared to the end of December 2023. The exchange rate's appreciation was particularly noticeable in December 2024, driven by an increased willingness among authorised dealers to boost US dollar liquidity.⁴

The Monetary Policy Committee (MPC) noted that recent trends and the outlook for key domestic macroeconomic indicators remain positive. Domestic inflation is expected to stay within the Bank's target range of 4.0% to 6.0% over the next eight quarters. As of November 2024, annual headline inflation, according to the Statistical Institute of Jamaica (STATIN), was 4.3%, down from 7.4% in January 2024. Core inflation, which excludes agricultural food products and fuel from the consumer price index (CPI), stood at 4.2% in November 2024, marking the 17th consecutive month that core inflation has remained below 6.0%. Over the next eight quarters,

¹<https://www.pioj.gov.jm/product/review-of-economic-performance-october-december-2024-economic-outlook-january-march-2025/>

²<https://www.pioj.gov.jm/speaking-notes-review-of-economic-performance-october-december-2024/>

³<https://boj.org.jm/wp-content/uploads/2025/02/February-2025-QMPR.pdf>

⁴<https://boj.org.jm/market/foreign-exchange/average-exchange-rates/>

inflation is anticipated to stay within the target range. However, there is an upside risk to the inflation projection due to uncertainty surrounding potential economic policy changes among Jamaica's main trading partners.⁵

As of Q4 2024, the total number of employed persons was 1,417,000, with males making up more than half of the employed labour force. Of those employed, 22,900 were underemployed, meaning they worked part-time but desired additional hours. The largest occupational group was Services and Sales Workers, followed by Skilled Agricultural, Forestry, and Fishery Workers, and Elementary Occupations. The 'Craft and Related Trades Workers' group had the highest male employment.

Jamaica's unemployment rate fell to a new low of 3.5% as of October 2024, down from the previous record of 3.6% in July 2024, according to the Statistical Institute of Jamaica's Labour Force Surveys for both months, reflecting positive job creation and economic stability. The female unemployment rate was higher at 4.5%, while the male unemployment rate was 2.6%. The youth unemployment rate stood at 11.0%, with young adult females at 13.7% and young adult males at 8.9%.⁶

66



THE CAYMAN ISLANDS ECONOMY

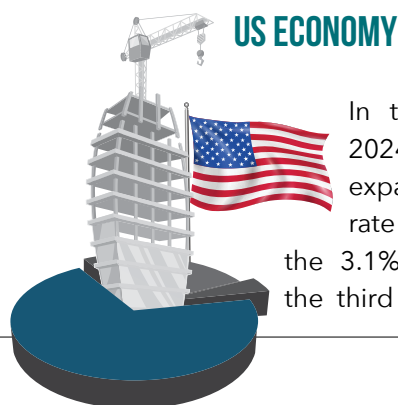
The Cayman Islands has a relatively stable and diversified economy, with a strong financial services sector and a growing tourism industry. It is one of the leading economic centres in the world, offering a tax-free environment with no property, income, corporation, or capital gains taxes.

The latest available data indicates that the Cayman Islands' gross domestic product (GDP) grew by an estimated 3.0% in real terms during the second quarter of 2024, showing a slight slowdown from the 3.6% growth observed in the first quarter. For the year's first half, the economy expanded by 3.2%. This growth was mainly driven by increased activity

in the accommodation sector, which also boosted growth in utilities and other services. The hotel and restaurant industry grew by 5.7% during the year's first half. Other sectors that saw moderate growth included electricity and water supply (up by 7.4%), government services (up by 4.4%), other services (up by 4.0%), and construction (up by 3.6%). Finance and insurance services, which remain the most significant contributor to GDP, expanded by 2.7% during the period.⁷

In the fourth quarter of 2024, the Consumer Price Index (CPI) reached 136.3, marking a 2.9% rise compared to the same period in 2023. This increase in the CPI was mainly driven by higher costs in sectors like food and non-alcoholic beverages, alcoholic beverages and tobacco, and healthcare, among others. For the year, the average inflation rate across all four quarters of 2024 stood at 2.6%, with the third quarter seeing the largest quarterly increase. The annual average CPI for 2024 was 134.3, reflecting a 2.6% increase from the average CPI in 2023. This overall rise in the index was primarily due to higher prices in categories such as education, communication, healthcare, housing and utilities, clothing and footwear, food and non-alcoholic beverages, and various goods and services.⁸

The Spring 2024 Labour Force Survey (LFS) reported an estimated 5.0% growth in the Cayman Islands' population, bringing the total to 87,866, up from 83,671 in Spring 2023. The number of employed individuals in the Spring 2024 LFS was 61,003, an increase from 57,266 in the Spring 2023 survey. Despite the rise in employment, the unemployment rate also increased to 2.8%, up from 2.4% in 2023. The number of unemployed individuals grew to 1,740, compared to 1,404 the previous year.⁹



US ECONOMY

In the fourth quarter of 2024, the U.S. economy expanded at an annual rate of 2.3%, slowing from the 3.1% growth observed in the third quarter. The increase

⁵ <https://boj.org.jm/summary-of-decisions-december-2024/>

⁶ <https://statinja.gov.jm/PressReleases.aspx>

⁷ <https://www.eso.ky/quarterlyandannualeconomicreports.html>

⁸ <https://www.eso.ky/page.html>

⁹ <https://www.eso.ky/labour-force-survey-reports.html>

¹⁰ <https://www.bea.gov/data/gdp/gross-domestic-product>

in GDP was primarily fuelled by stronger consumer spending and higher government expenditures. However, a decrease in private investment partially dampened the overall growth. Imports also fell, which had a positive effect on GDP growth. Meanwhile, the personal consumption expenditure (PCE) price index rose by 2.4%, with the core PCE index (excluding food and energy) increasing by 2.7%.

For the fiscal year 2024, real GDP grew by 2.8%, reflecting an overall solid economic performance. Growth in consumer spending, investment, and government spending contributed to the positive outcome, while exports also increased. Despite the challenges posed by inflation, the economy demonstrated resilience, with a significant portion of growth driven by consumer activity and government spending, while imports also played a role in supporting the overall economic expansion.¹⁰ Risks to the growth outlook on the downside include ongoing inflationary pressures that could delay expected reductions in the policy rate and a rise in trade tensions. On the upside, risks include sustained strong productivity growth and the deregulation of important sectors of the economy.¹¹

The Bureau of Labor Statistics' report on the Consumer Price Index (CPI) for 2024 highlights a 2.6% increase in the annual CPI, reflecting continued inflation tension in various sectors, including food, housing, and healthcare. The report notes that inflation remained elevated, although at a slower pace compared to previous years. Price hikes in education, communication, and transportation also significantly contributed to the rise. This underscores how higher costs in essential sectors impacted the average consumer, marking 2024 as a year of moderate inflation despite efforts to curb price increases.¹² The Federal Reserve (FED) reduced the federal funds rate by 25 basis points to a target range of 4.25% to 4.5%. This decision marked the third consecutive rate cut, following reductions in September and November, and reflected the Fed's ongoing efforts to balance economic growth with inflation control.¹³



In December 2024, the UK economy saw a 0.4% increase in real GDP, following a modest 0.1% growth in November and a slight decline of 0.1% in October. Year-over-year, the GDP in December 2024 was

1.5% higher than in December 2023. Additionally, for the fiscal year 2024, output GDP grew by 0.8% compared to 2023. This annual growth was driven mainly by a 1.3% increase in services output, partially offset by a 1.7% decline in production output, while construction saw a modest growth of 0.4%.¹⁴

The Monetary Policy Committee (MPC) set interest rates with a focus on meeting the 2% inflation target while supporting growth and employment. In December 2024, the MPC voted to hold the Bank Rate at 4.75%, though three members supported a small cut to 4.5%.¹⁵

Inflation stood at 2.5% in December 2024, according to the Consumer Price Index (CPI), though it remains above the MPC's 2% target. In its updated economic forecasts, the Bank of England lowered its GDP growth projections for 2025. The Bank also predicts that inflation will rise to 3.7% by the third quarter of 2025 before gradually easing. However, inflation is expected to remain above the 2% target until the fourth quarter of 2027.¹⁶

From November 2024 to January 2025, the UK employment rate for individuals aged 16 to 64 was 75.0%, higher than the previous quarter and the same period a year earlier. Conversely, the unemployment rate for those aged 16 and over was 4.4%, showing an increase from the previous quarter and the same period a year ago. The economic inactivity rate for individuals aged 16 to 64 was 21.5%, a decrease compared to last year and the previous quarter.

The number of workforce jobs in the UK reached 36.9 million in December 2024, up by 403,000 (1.1%) from December 2023, with the largest increase in

¹¹ <https://www.oecd.org/economy/united-states-economic-snapshot/>

¹² <https://www.bls.gov/opub/ted/2025/consumer-price-index-2024-in-review.htm>

¹³ <https://www.cnbc.com/2024/01/07/the-2023-us-economy-in-charts.html>

¹⁴ <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/december2024#monthly-gdp>

¹⁵ <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2024/december-2024>

employee jobs, which rose by 248,000 (0.8%). Public sector employment was estimated at 6.14 million in December 2024, marking a 19,000 (0.3%) increase from September 2024 and a 53,000 (0.9%) increase from December 2023.¹⁷

in 2023. These funds were primarily directed toward key infrastructure projects, including the Montego Bay Perimeter Road and the Southern Coast Highway Improvement Project (SCHIP). While this expenditure supports essential infrastructure development, the continued focus on road and civil engineering projects may divert resources away from residential construction, further constraining the supply of housing.¹⁸

According to Statista, the commercial real estate market is projected to reach a value of US\$16.69 billion in 2025. This growth is expected to continue, with a modest annual growth rate of 0.38% from 2025 to 2029, bringing the market volume to US\$16.94 billion by the end of the decade. It is suggested that the market's growth is largely driven by a surge in demand, fuelled by the country's expanding tourism sector and increasing foreign investment.¹⁹

THE CAYMAN ISLANDS REAL ESTATE MARKET

The Cayman Islands real estate market continued demonstrating resilience and strong investor confidence in 2024. Despite global economic uncertainty, the market saw steady price growth, increased sales volumes, and a continued influx of international buyers, particularly from the US and Canada. The market benefited from rising tourism, limited inventory, and growing foreign direct investment in residential and commercial properties.

The total transaction value increased by 7% year-over-year (YoY), surpassing \$1.4 billion in total sales volume. Residential sales rose 26% YoY, driven by increased demand for condominiums and single-family homes. The luxury segment remained strong, with a 159% increase in sales in George Town and a 20% rise in standalone home sales.

The commercial sector saw a 91% YoY growth, driven by a 200% increase in industrial sales and a 55% rise in retail units. The largest commercial transaction of 2024 was \$10 million. The average transaction value of sold listings rose 6% YoY, peaking at \$841,465 in February 2024.²⁰



68

REAL ESTATE MARKET OVERVIEW

JAMAICAN REAL ESTATE MARKET

The Jamaican real estate market has been impacted by a slowdown in the construction sector, which saw a contraction of 2.1% in real value added. This decline was driven by downturns in the Building Construction and Other Construction sectors, with reduced sales of construction-related inputs and a general slowdown in project activities.

In the Building Construction sector, the downturn was notably driven by challenges in the residential category. Housing starts by the National Housing Trust (NHT) dropped by 19.0%, signalling a slowdown in residential construction. This reduction in new housing projects contributes to a potential housing shortage, impacting the availability of new homes in the market.

Additionally, the contraction in the Other Construction sector was partly offset by increased expenditure from the National Road Operating and Constructing Company (NROCC), which disbursed \$2.8 billion, up 34.9% compared to the same period

¹⁶ <https://researchbriefings.files.parliament.uk/documents/CBP-9040/CBP-9040.pdf>

¹⁷ <https://researchbriefings.files.parliament.uk/documents/CBP-9366/CBP-9366.pdf>

¹⁸ https://www.pioj.gov.jm/wp-content/uploads/2025/02/DGs-QPB-29_3-Speaking-Notes_February-19-2025.pdf

¹⁹ <https://www.statista.com/outlook/fmo/real-estate/commercial-real-estate/jamaica>

²⁰ <https://www.ircayman.com/cayman-islands-real-estate-market-reports/annual-market-report-2024>

The Cayman Islands real estate market remains an attractive and stable investment destination, supported by strong demand, rising prices, and a growing luxury sector. Despite temporary slowdowns in mid-2024 due to rising interest rates, the market rebounded in Q3 and Q4, reflecting its long-term strength. Limited inventory and high demand continue to increase prices, particularly in the luxury and commercial segments. Looking ahead to 2025, the market is expected to maintain its upward trajectory, with continued foreign investment and economic stability fueling growth.

ATLANTA REAL ESTATE MARKET

Atlanta's multifamily market saw strong demand in the fourth quarter of 2024, with 4,915 units absorbed. For the year, total annual occupancy gains reached a record-breaking 20,461 units, a significant increase from the 5,805 units recorded in the previous year. Nearly all submarkets experienced positive absorption, with the I-85 North and I-75 North corridors leading the metro area.

Stabilised occupancy, which excludes properties still in their initial lease-up phase, remained steady at 90.5%. Although this marks a slight dip of 20 basis points compared to the previous quarter, four submarkets, including Forsyth County and Downtown Atlanta, saw occupancy improvements, each reporting a 0.4% increase.

The year 2024 also marked a record year for multifamily development in Atlanta, with over 100 new buildings and 24,231 units added to the market. Despite this surge in new supply, the active construction pipeline has been shrinking, with only 19,376 units currently underway, representing a 43.8% decrease from the end of the previous year. This marks the first time since Q2 2021 that the metro's pipeline has fallen below 20,000 units, allowing for a more manageable absorption of new deliveries in the coming year.

In contrast to national trends, rent growth in Atlanta slowed in 2024. Effective rents decreased by 0.7% from the prior quarter, averaging \$1,618 per unit. However, some submarkets, such as Forsyth County,

saw a quarterly rent increase of 2.1%, demonstrating the continued strength of specific areas within the metro.²¹

Price trends for residential properties in the metro area also remained positive, with both average and median sales prices showing gains over the previous year. The median sales price for December 2024 was \$420,000, reflecting a 5.0% increase from December 2023. Similarly, the average sales price rose to \$516,500, marking a 3.7% year-over-year increase. This data underscores a robust market with growing demand and prices, indicating strong buyer confidence and a continued upward trajectory in the Atlanta real estate sector.²²

UK REAL ESTATE MARKET

The office market in 2024 saw a total transaction volume of approximately £7.3 billion, with £1.5 billion of this attributed to the South East. While transaction volumes remain below the 10-year average, there have been positive signs of market evolution. Strong occupier fundamentals, spurred by the return to office work and a focus on high-quality accommodation, have led to significant rental growth across regional markets.

In Q4 2024, take-up in the industrial sector fell to its lowest quarterly level since Q1 2020. However, the overall take-up for 2024 reached 27.97 million square feet, marking the fifth-highest year for industrial demand. The 100,000 square feet and above market saw significant activity, with 8.3 million square feet leased in Q4 2024. This demand has been driven primarily by the need for Grade A stock in core markets, reflecting the continued strength of the industrial property sector.²³

Bristol experienced its strongest year of investment since 2017, recording the highest investment volumes among all regional UK cities tracked in 2024. Occupier and investor activity saw significant year-on-year growth, driven by strong demand, increasing prime rents, and high-profile transactions. The leasing market saw total space taken up reach 440,562 sq ft, reflecting a 5% increase year-on-year, although it

²¹ <https://rmultifamily.cushwake.com/Offices/Atlanta/Research>

²² <https://www.atlantarealtors.com/resources/atlanta-realtors-market-brief/detail/atlanta-realtors--market-brief--december-2024>

²³ <https://publications.allsop.co.uk/market-update/feb-25/national-investment-market-overview>

remained 13% below the five-year average. Prime rents surged to £48.00 per sq ft, marking a 13% annual increase and reaching their highest-ever recorded level, 28% above pre-pandemic figures.²⁴

According to CBRE's UK real estate market report, the property market reached the bottom of its cycle in 2024 and ended the year with slight value improvements. Prime office properties in well-located areas are set to benefit from anticipated job growth. At the same time, both the retail and logistics sectors are expected to see gains driven by increasing consumer demand. In the residential market, although lower interest rates are expected to support activity in the for-sale sector, the ongoing demand and supply imbalance continues to drive strong rental growth in the private rented sector. Looking ahead, potential planning reforms could help alleviate supply shortages, providing more opportunities for investment in the medium term.²⁵

²⁴ <https://content.knightfrank.com/research/2793/documents/en/uk-cities-office-market-report-2024-11958.pdf>

²⁵ <https://www.cbre.co.uk/insights/reports/uk-real-estate-market-outlook-2025>

RISK

EXPOSURES & RISK MANAGEMENT STRATEGIES

The inherent nature of risk in commercial Real Estate investments makes it a critical factor in the operations of our business, as ultimately there is an impact on overall shareholder value.

The Board of Directors, therefore, remains focused on the various types of risks that may directly or indirectly affect the operations of the Group with varying levels of materiality. Diversification of property type and geography remains one of the strategies that the Group pursues to effectively manage risk. Our real estate investments and geographic diversity (also diversified by commercial and residential segments) comprise a diverse mix of tenants.

Risks impact the performance of the Group and the Group's shares. As part of our due diligence process in acquisitions, we focus on the local market, characteristics, the credit quality of the underlying tenant base as well as the capital structure of each transaction, the following risks must be considered.

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 downturn 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 following.

- 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. This 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, obtain debt financing secured by our properties and may reduce the availability of unsecured loans.

Asset and Industry Risks

The value and financial performance of our real estate 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), 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 expenses, 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 cost 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 the decreased desirability to our tenants in impacted locations;
- Declines in the financial condition of our tenants and our ability to collect rents from our tenants;
- Decreases in the underlying value of our real estate.
- 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 satisfactory completion of due diligence investigations 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 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.
- 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 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 to acquire properties might include:

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.

- Liabilities for clean-up of undisclosed environmental contamination;
- Claims by tenants, vendors or other persons against the former owners of the properties; and
- Liabilities incurred in the ordinary course of business.
- 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 can acquire the desired property, competition from other real estate investors may significantly increase the purchase price.

Re-Letting and Tenant Risks

We derive most of our income from rent received from our tenants and we face potential difficulties or delays in renewing leases or re-letting 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. A bankrupt tenant may reject and terminate its lease with us. In such a 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 the results of operations.

Resale Risks

Possible difficulty selling our properties 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 the 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, to 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 resulting in reduced market prices.

Currency Exchange Risks

Having changed our functional currency to United States dollars in 2019, we still retain some potential currency exchange risk from transactions or earnings in currencies other than the US dollar. If we hold investments or other assets in currencies other than the US dollar, we will be subject to currency risks from the potential fluctuations in exchange rates between the US dollar and those currencies.

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 shareholders, however, that our efforts will successfully neutralize all international currency risks.

Debt and Re-financing Risks

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 that could adversely affect our cash flow and, consequently, the amount available for dividends to shareholders.

Leverage Risks

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 Risks

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.

74

Market Risks

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; and

- 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, 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.

Pandemic Risks

The COVID-19 pandemic or any future pandemic may result in gathering limit restrictions and restrictions on movement, which may result in less demand for office spaces and/or limited foot traffic to spaces in the retail sector. A prolonged pandemic may also have a negative impact on the global economy reducing aggregate demand and the need for specific goods and services offered by our tenants. This may lead to increased tenant delinquency and higher vacancy rates.

RISK MITIGATION STRATEGIES



The Group utilizes established best practices in its risk management strategies and reviews various risk factors at both the Investment and Risk committees and the Board of directors meetings.

Consensus in the decision-making process ensures that undertakings are consistent with the Group's risk appetite and that adequate measurement and mitigation strategies are being employed, including being adequately funded to absorb any adverse shifts.

Economic Risks

The Group uses various metrics to measure and monitor financial risks to its operations to ensure it remains a going concern. These include debt

service coverage, net operating margin, funds from operations growth, debt to EBITDA, Debt to Equity, and Equity to Asset ratios. Specific benchmarks are set based on a composite of selected global REITs and our performance is measured against this composite. Whereas adverse economic conditions and dislocations in the credit markets could have a material effect on our results of operations, due to a downturn in the economy, our strategy is to diversify across various jurisdictions to mitigate against any economic fallout in another jurisdiction.

As part of our strategy to manage risk with our tenants, we require corporate tenants to provide financial statements for the most recent three years, pay two months' security deposit, and provide bank references and a history of past tenancies. Tenant accounts are constantly reviewed for early signs of difficulty and our tenant relations team remains in continuous communication with tenants to frequently do assessments of their operations.

The Group adopts various funding strategies including raising funds both from the debt and equity markets. We have established liquidity thresholds to ensure we are adequately funded to meet not only operating expenses and/or debt servicing but to take advantage of new opportunities as they come up. Further, we ensure that our credit rating with our financing partners remains intact to allow us to access funding when needed and at favourable rates. Additionally, with excellent working capital management, the Group can fund ongoing working capital and debt service needs while maintaining adequate financial resources to mitigate the risk of missing opportunities during difficult economic periods.

We have built longstanding relationships with our financing partners and have established a high level of creditworthiness with them to allow the Group to access funding even during periods of economic downturn. Additionally, we have established a diversified portfolio of different types of real estate assets, such as commercial, residential and industrial and also in various markets.

Asset and Industry Risks

A diversified portfolio of properties across different sub-classes and in different jurisdictions allows the Group to remain resilient during bad economic periods. Further, the Group maintains an adequate

pool of financing options with various institutions in different jurisdictions.

We conduct extensive data gathering and monitor the activities in the markets in terms of inventory levels, comparable market rents and level of new construction. The strategy is to remain competitive while maintaining full occupancy in our properties as the generation of cash flow is paramount.

Real estate market conditions are constantly monitored by the company and the relevant adjustments are made to the portfolio. New investments are pursued in accordance with the current market reading and outlook.

We continually assess tenant needs and explore the possibility of flexi-space.

The Group adopts a policy of applying an above-inflation level increase in rents or common area maintenance (CAM) charges to cover added expenses. We maintain tight budgetary controls to prevent overruns in operating costs and review our operating contracts annually. Through its "green" policy approach, **KPREIT** is also committed to reducing utility consumption at its properties and thereby mitigate on cost increases.

Rent and CAM charges are adjusted appropriately to provide adequate coverage for fixed costs. This type of risk is usually characterised by reduced activities resulting in savings in variable costs such as utilities and building repairs. These savings act as a mitigating factor.

The Group adopts a policy of insuring our properties at full replacement costs. Although circumstances may change over time, property locations are selected carefully through a robust investment analysis process and all properties have a minimum level of security and infrastructural protection to minimize the impact of these risks.

The Group ensures that there is adequate security deposit coverage for each tenant, a three-month delinquency limit is established; penalties on late payments and/or negotiated settlements including deferrals or lease extensions are tools used to limit this risk.

To deal with decreases in the underlying value of our real estate, the Group has dynamic and diversified

holdings in various markets where the movement in one market may be adequate to offset the movements in another. Periodic property upgrades are done including preventative maintenance and renovations, which help to maintain the underlying value of our properties.

Acquisition Risks

Rigorous due diligence led by a Board select committee helps to reduce the number of instances where this risk materializes. The financial impact of this risk is also mitigated by negotiating the lowest possible non-refundable deposit in the first place.

All offers to purchase are contingent offers and provide an exit should conditions to close do not materialise. Further, financing arrangements are included as part of the due diligence process.

Alternative uses are always considered with new property acquisitions. Worst-case scenarios are considered in the investment analysis process and investments may not be accepted if this is outside the scope of **KPREIT** investment strategies. The performance of acquired properties is constantly monitored and the decision to dispose may also be considered for underperforming assets if it is the most economically beneficial option.

A premium return is established during the underwriting process to handle contingencies above the minimum target return.

The Group pursues the joint venture or partnership model for acquisitions in new markets. This ensures that the partners share equally in the risk but are also persons familiar with local operations and have had an established track record. The cost of local experts is also factored in the ROI consideration and overall investment analysis where the company must incur such costs.

Effective acquisition planning which considers management, staffing and resources reduce the likelihood of the Group being unable to integrate new acquisitions into the existing portfolio.

Full title searches are performed to confirm ownership of investment properties and ascertain any liens on the property. Professional valuers, surveyors and engineers are used to assess investment properties before acquisition and checks are made with the

relevant environmental bodies (such as NEPA in Jamaica) to ensure no environmental issues exist and covenants are adhered to.

The Group is being capitalized to effectively pursue investment opportunities that fall within its risk and return metrics. It may consider joint venture arrangements to achieve those targets. The Group establishes a limit of remaining within the target rate of return and if that is not achievable on a current or proforma basis, the deal is rejected.

Re-Letting and Tenant Risks

Constant assessment of tenants and their business is done to determine if they become a letting risk. Additionally, limits are set and monitored on tenant exposure per jurisdiction or industry within which they operate. Early termination clauses are present in all leases to ensure the landlord recovers sufficient rent to cover the re-letting period.

Resale Risks

The real estate market is assessed frequently and proactive decisions are taken to dispose of properties before adverse market events.

Contingent or Counterparty Risks

Where possible, legal recourse is taken to deal with any contingent or counterparty risks.

Currency Exchange Risks

In respect of currency exchange risks, the Group may attempt to mitigate any such effects by borrowing in the currency of the country in which we are investing. Additionally, periodic monitoring of the movement of the exchange rate is done to optimally time conversion actions. As much as possible, the Group arranges lease agreements in the USD functional currency, and where foreign currency is earned, it is utilized in settling liabilities of the same currency.

Debt and Re-financing Risks

The Group monitors debt covenants frequently and ensures that there is adequate Loan-to-Value (LTV) coverage. Further, aggressive principal reductions are employed to achieve lower LTVs by faster debt repayments.

Leverage Risks

The Group adopts a very conservative approach to debt ratios, with debt to asset of 50% or less and debt to equity below 75%.

Insurance Risks

The Group reviews its insurance coverage annually and ensures that there is adequate coverage on all our properties.

Market Risks

A key focus of management and the Board is to deliver earnings and dividends at or above expectations which is demonstrated by the minimum ROI embedded in the asset acquisition strategy. This drives shareholder value and any misalignment in the share price will be corrected in the long term by the market forces acting on full information. The Group continues to build its corporate profile through significant promotional activities and community involvement which is key to retaining a strong market presence even during periods of bad conditions in the stock market. Additionally, management keeps abreast of the developments within the jurisdictions where it operates and strategically adjusts its business model to deliver the greatest value to its stakeholders.

Pandemic Risks

The Group has developed a “future-proofing” strategy that involves periodic assessment of the performance of major sub-classes of real estate to detect trends and focus our acquisition strategy towards those sub-classes shown to be most resilient to containment measures typical of a pandemic.



OTHER RISK FACTORS Regulatory Uncertainties



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

Non-compliance with applicable laws and regulations could lead to substantial monetary and or reputational damage and/or fines, public reprimands, increased regulatory scrutiny or other regulatory restrictions.

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 any other stock exchange(s). Additional shares so issued could affect the market price of the New Ordinary 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 **KPREIT's** shares will be primarily dependent on **KPREIT's** future profitability and notwithstanding the target level of distributions under our existing policy, ultimately remains at the discretion of the Directors, who will be considering the Company's best interests as a whole.

Macro-Economic Policies

Changes in fiscal and monetary policies by the Government of Jamaica or of any jurisdiction in which any member of the Group has investments may create opportunities as well as challenges for **KPREIT**. Fluctuations in market interest rates may influence the relative attractiveness of the dividend yield. The price of our ordinary shares may be adversely affected by the annual dividend yield relative to the yield on other available financial instruments.

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. The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgment in applying relevant accounting policies; for example, the

calculation of expected credit losses and significant increases in credit risk for financial assets under IFRS 9 or the fair value of financial instruments where observable market prices are not available. There is a risk that if the judgment exercised or the estimates or assumptions used subsequently turn out to be incorrect then this could result in an adverse impact on **KPREIT's** financial results.

Competitive Environment

Changes in the macro and business environment may lead to intensified levels of competition in the jurisdictions in which **KPREIT** operates. New market entrants and or consolidation in the subsectors in which **KPREIT** operates may also lead to increased competitive pressures which could negatively impact market share and profitability.

Cross Border Operations/Risks Associated with International Conditions

KPREIT currently has investment assets and subsidiaries in several different countries, therefore it is exposed to adverse event risks which may impact its financial results and by extension its share price.

These events include:

- *International political and economic conditions;*
- *Changes in Government regulations in various countries;*
- *Implementation of trade barriers;*
- *Implementation of adverse tax consequences;*
- *Increased regulatory costs*



ROUSSEAU ROAD

Clearing of the property
for a Warehouse.



CORPORATE DATA

BOARD OF DIRECTORS

- Garfield Sinclair (Chairman)
- Nicole Foga (Director/Company Secretary)
- Lisa Gomes (Director)
- Peter Reid (Director)
- Gladstone Lewars (Director)
- Phillip Silvera (Director)
- Rezworth Burchenson (Director)

REGISTERED OFFICE

7 Stanton Terrace, Kingston 6, Jamaica

CORPORATE OFFICE

36-38 Red Hills Road, Kingston 10, Jamaica

Tel: 876-754-7840 | 620-4920 | 620-4707

International Line: 305-400-1447

Website: www.kpreit.com

Email: info@kpreit.com

REGISTRAR & TRANSFER AGENT

- Jamaica Central Securities Depository

AUDITORS

- KPMG

ACCOUNTANTS

- Crichton Mullings & Associates PA - USA

ATTORNEYS-AT-LAW

- Francis Grey (Cayman Islands)
- Foga Daley (Jamaica)
- Nunes, Scholefield, DeLeon & Co. (Jamaica)
- Patterson Mair Hamilton (Jamaica)
- Ramsay & Partners (Jamaica)
- Buchanan Ingersoll & Rooney PC (USA)
- Glitzenhirn Augustin & Co. (St. Lucia)
- Boodle Hatfield (United Kingdom)

INVESTMENT BROKERS

- Sterling Asset Management (Jamaica)
- Jamaica Money Market Brokers Limited (Jamaica)
- Barita Investments Limited (Jamaica)
- VM Wealth Management Limited (Jamaica)

BANKERS

- CIBC Caribbean Limited
- CIBC Caribbean Limited (St. Lucia)
- CIBC Caribbean Bank (Cayman) Limited
- National Commercial Bank Limited (Jamaica)
- Terrabank, N.A. (USA)
- Bank of America Incorporated (USA)
- RBC Royal Bank (Cayman) Limited
- JMMB Bank (Jamaica)
- VM Group

SUBSIDIARY COMPANIES

- KP(REIT) Jamaica Limited
- KPREIT (St. Lucia) Limited
- Kingston Properties Miami LLC
- KPREIT (Cayman) Limited
- KP Dumfries Limited
- KPRE (UK) Limited

STOCK SYMBOL

- KPREIT

EXCHANGE

- Jamaica Stock Exchange (Main Market)

INVESTOR RELATIONS OFFICER

Tatesha Rowe

Email: info@kpreit.com

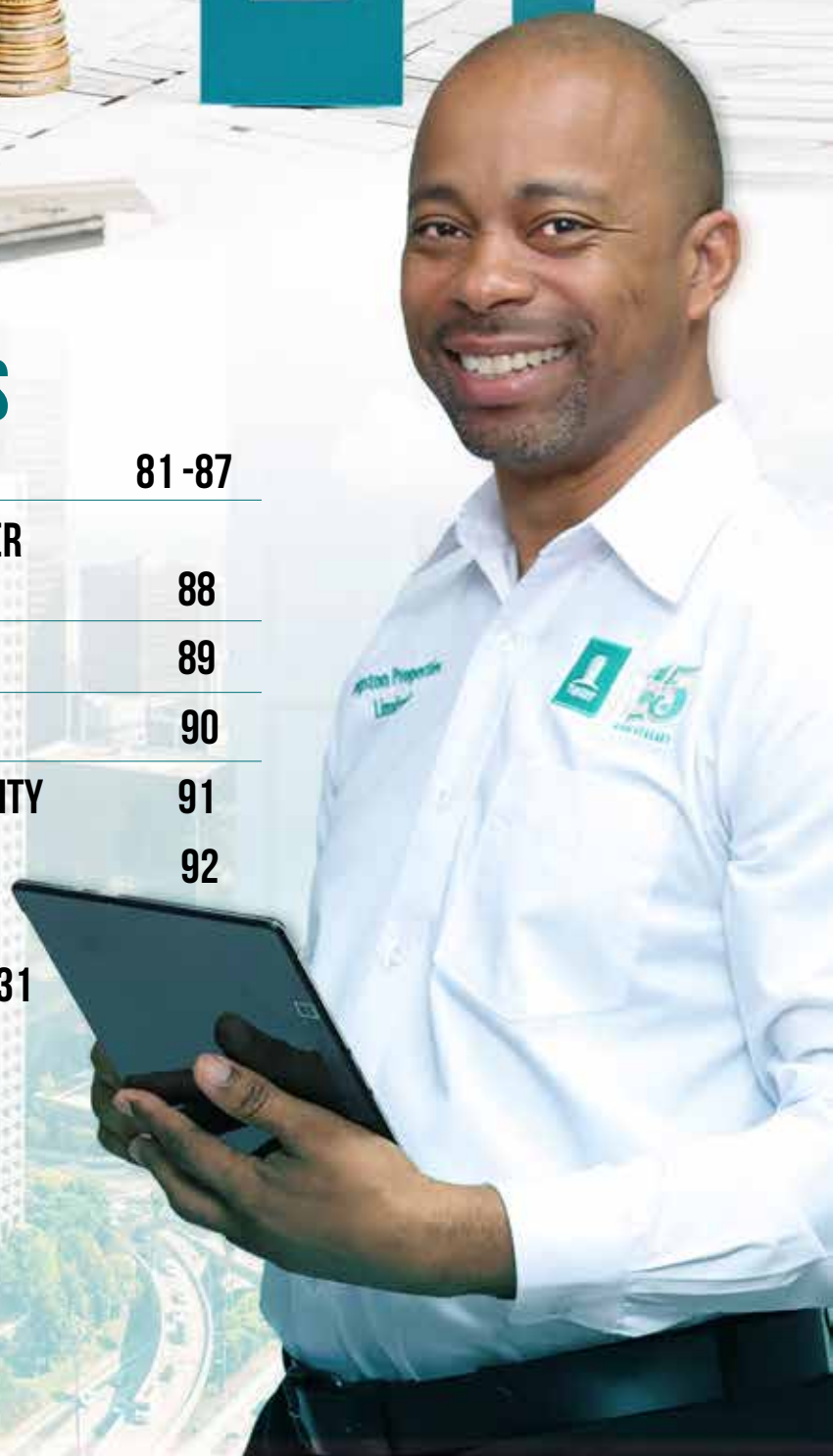
Tel: 876-620-4707



80

INDEX TO FINANCIAL STATEMENTS

• INDEPENDENT AUDITORS' REPORT	81 - 87
• STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	88
• STATEMENTS OF FINANCIAL POSITION	89
• GROUP STATEMENT OF CHANGES IN EQUITY	90
• SEPARATE STATEMENT OF CHANGES IN EQUITY	91
• STATEMENTS OF CASH FLOWS	92
• NOTES TO THE FINANCIAL STATEMENTS	93 - 131
• NOTES	132
• FORM OF PROXY	133
• NOTES	134





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INDEPENDENT AUDITORS' REPORT

To the Members of
KINGSTON PROPERTIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of Kingston Properties Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 8 to 51, which comprise the Company's and Group's statements of financial position as at December 31, 2024, the Company's and Group's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at December 31, 2024, and of the Company's and Group's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
KINGSTON PROPERTIES LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters and how they were addressed in our audit

1. *Valuation of investment property*

See notes 3(m) and 11 for further disclosures. 'Investment property': Group: \$75,724,463 (2023: \$59,178,916) and Company: \$26,762,100 (2023: \$18,223,782).

The valuation of the Group's (including the Company's) investment property requires significant estimation, given the infrequency of trades in comparable properties in other cases, and the absence of a number of observable recent market prices. Significant judgement is used by the Group in arriving at the fair value of these properties, the fair value of which is impacted by uncertainty of market factors, pricing assumptions and general business and economic conditions used in valuing these properties.

As part of our audit procedures our response to this matter included the following:

- We used our own valuation specialists to assist us in assessing the reasonableness of the valuation methodologies employed by management, including management experts, where applicable, and the fair value conclusions for a sample of properties at the valuation date.
- We considered the provisions of the applicable financial reporting framework in order to evaluate the adequacy and appropriateness of those disclosures; assessed the sources of data and challenged the underlying assumptions utilised to value the properties; performed a search for similar transactions and listings to assess potential fair value changes that occurred within the period.

2. *Fair value of investments*

See notes 3(i), 12 and 28 for further disclosures. 'Investments': Group: \$4,443,626 (2023: \$4,864,683).

The Group uses its judgement in selecting the appropriate valuation techniques to determine fair value of financial instruments. The estimates of fair value arrived at may be significantly different from the actual price of the instrument in an actual arm's length transaction.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
KINGSTON PROPERTIES LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

2. *Fair value of investments (continued)*

The valuation of the Group's unquoted investments has been identified as an area of significant risk, given that the measurement of the unquoted investments includes significant assumptions and judgements about expected cashflows and the determination of the discount rate to be applied.

The Group has determined the fair value of the unquoted investments using the income capitalisation approach, in the absence of a quoted price for the instrument on a trading market.

As part of our audit procedures we included the following:

- We used our own valuation specialist to assist us to evaluate the application of the valuation methodology and the reasonableness of the assumptions used in determining the discount rate, by comparing the discount rate with published market and industry data and other relevant information.
- We assessed the reasonableness of the cash flow projections by:
 - (i) comparing the input data provided by management with independent data sources (discount rate, rates of return), supporting documents (financial statements of investment company) and other information; and
 - (ii) challenging the Group's assumptions such as, the timing, amounts and future growth of the cash flows by obtaining an understanding of the relevant activities of the investee, evaluating historical performance and financial position, using our knowledge of the industry in which the investee functions and determining whether there may be variations to the contractual cash flows expected based on the knowledge obtained from our evaluation of the investee.
- We assessed the adequacy and appropriateness of the Group's disclosures against the requirements of IFRS 13 *Fair Value Measurement* and IAS 1 *Presentation of Financial Statements* (see notes 12 and 28) to determine if these adequately illustrate the key risks discussed in this key audit matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statement and our auditors' report thereon (including Group chairman and CEO statement, quick facts, directors' report, 10 year financial statements, management discussion and analysis, corporate data, environmental, social and governance reports). The annual report is expected to be made available to us after the date of this auditors' report.



Page 4

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
KINGSTON PROPERTIES LIMITED

Report on the Audit of the Financial Statements (continued)

Other Information (continued)

2. Fair value of investments (continued)

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Responsibility of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and/or the Group to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 6-7, forms part of our auditors' report.



Page 5

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
KINGSTON PROPERTIES LIMITED

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Karen Ragoobirsingh.

A handwritten signature of the KPMG firm, written in a cursive, stylized font.

Chartered Accountants
Kingston, Jamaica

March 3, 2025



Page 6

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
KINGSTON PROPERTIES LIMITED

Appendix to the Independent Auditors' Report

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and/or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



Page 7

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
KINGSTON PROPERTIES LIMITED

Appendix to the Independent Auditors' Report (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Kingston Properties Limited

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

	Notes	Group		Company	
		2024	2023	2024	2023
Operating revenues					
Rental income	4	4,717,392	3,837,090	1,778,258	1,490,254
Management fees	5	126,763	115,226	115,730	115,226
Distributions from real estate investment	12(a),(b)	-	31,448	-	-
Total operating income		4,844,155	3,983,764	1,893,988	1,605,480
Operating expenses	6	(2,072,154)	(1,533,287)	(1,470,687)	(1,134,205)
Results of operating activities before other income/expenses		2,772,001	2,450,477	423,301	471,275
Other income/(expenses):					
88 Increase in fair value investment property	11(b)(i)	3,047,418	2,619,865	2,064,445	1,411,865
Decrease in fair value of - FVTPL investments	12(d)	(14,087)	-	-	-
Dividend income	16(b)	-	-	1,693,095	950,659
Gain on disposal of investment property		1,531,577	442,946	-	-
Impairment allowance on financial assets	17	(301,521)	(92,082)	(301,521)	(92,082)
Fees and other (expenses)/income	23	(200,071)	(71,319)	28,294	3,280
Operating profit		6,835,317	5,349,887	3,907,614	2,744,997
Finance income	7	96,918	282,027	110,814	210,181
Finance costs	7	(1,532,482)	(962,851)	(632,528)	(526,531)
Net finance costs	7	(1,435,564)	(680,824)	(521,714)	(316,350)
Profit before income tax		5,399,753	4,669,063	3,385,900	2,428,647
Income tax charge	8	(25,570)	(21,547)	-	-
Profit for the year, being total comprehensive income for the year	9	\$5,374,183	4,647,516	3,385,900	2,428,647
Earnings and diluted earnings per stock unit (USD)	10	\$ 0.0061	0.0053		
Earnings and diluted earnings per stock unit (JMD)	10	\$ 0.9509	0.8166		

The accompanying notes form an integral part of the financial statements.

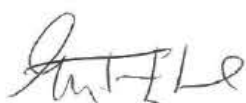
Kingston Properties Limited

STATEMENTS OF FINANCIAL POSITION

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)

		Group		Company	
	Notes	2024	2023	2024	2023
NON-CURRENT ASSETS					
Investment property	11	75,724,463	59,178,916	26,762,100	18,223,782
Deposit on investment property	15	-	2,773,590	-	-
Investments at fair value through profit or loss	12	4,443,626	4,864,683	-	-
Restricted cash	18	433,459	-	-	-
Furniture, software and equipment	13	53,491	95,568	49,699	57,739
Investment in subsidiaries	14	-	-	20,907,954	14,585,395
Total non-current assets		80,655,039	66,912,757	47,719,753	32,866,916
CURRENT ASSETS					
Owed by subsidiaries	16	-	-	-	6,793,588
Investment property held for sale	11	448,139	-	-	-
Receivables	17	865,189	825,509	571,976	373,736
Income tax recoverable		33,556	47,833	33,556	33,556
Cash and cash equivalents	18	4,593,883	3,170,290	2,171,300	2,371,070
Total current assets		5,940,767	4,043,632	2,776,832	9,571,950
Total assets		\$86,595,806	70,956,389	50,496,585	42,438,866
EQUITY					
Share capital	19	34,903,346	34,903,346	34,903,346	34,903,346
Currency translation reserve	19	(1,488,861)	(1,488,861)	(4,153,262)	(4,153,262)
Retained earnings		18,398,472	14,459,908	4,458,698	2,508,417
Total equity		51,812,957	47,874,393	35,208,782	33,258,501
NON-CURRENT LIABILITIES					
Deferred tax liability	8	108,473	108,473	-	-
Loans payable	20	30,896,940	20,777,039	11,349,221	7,752,080
Total non-current liabilities		31,005,413	20,885,512	11,349,221	7,752,080
CURRENT LIABILITIES					
Current portion of loans payable	20	2,764,887	1,428,566	2,171,546	955,110
Owed to subsidiaries	16	-	-	1,122,719	27,031
Accounts payable and accrued charges	21	983,567	739,154	644,317	446,144
Income tax payable		28,982	28,764	-	-
Total current liabilities		3,777,436	2,196,484	3,938,582	1,428,285
Total liabilities		34,782,849	23,081,996	15,287,803	9,180,365
Total equity and liabilities		\$86,595,806	70,956,389	50,496,585	42,438,866

The financial statements on pages 8 to 51 were approved for issue by the Board of Directors on March 3, 2025 and signed on its behalf by:



Gladstone Lewars
Director



Nicole Foga
Director/Company Secretary

The accompanying notes form an integral part of the financial statements.

Kingston Properties Limited

GROUP STATEMENT OF CHANGES IN EQUITY

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

	Share capital (note 19)	Treasury shares	Currency translation reserve (note 19)	Retained earnings	Total
Balances at December 31, 2022	<u>34,931,493</u>	<u>(28,147)</u>	<u>(1,488,861)</u>	<u>11,179,945</u>	<u>44,594,430</u>
Profit for the year, being total comprehensive income	-	-	-	4,647,516	4,647,516
Transactions with owners of the Company:					
Stock units cancelled	(28,147)	28,147	-	-	-
Dividends declared (note 22)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,367,553)</u>	<u>(1,367,553)</u>
Total transactions with owners of the Company	<u>(28,147)</u>	<u>28,147</u>	<u>-</u>	<u>(1,367,553)</u>	<u>(1,367,553)</u>
Balances at December 31, 2023	<u>34,903,346</u>	<u>-</u>	<u>(1,488,861)</u>	<u>14,459,908</u>	<u>47,874,393</u>
Profit for the year, being total comprehensive income	-	-	-	5,374,183	5,374,183
Transactions with owners of the Company:					
Dividends declared (note 22)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,435,619)</u>	<u>(1,435,619)</u>
Balances at December 31, 2024	<u>\$34,903,346</u>	<u>-</u>	<u>(1,488,861)</u>	<u>18,398,472</u>	<u>51,812,957</u>

The accompanying notes form an integral part of the financial statements.

Kingston Properties Limited

COMPANY STATEMENT OF CHANGES IN EQUITY

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)

	Share capital (note 19)	Treasury shares	Retained earnings	Currency translation reserve (note 19)	Total
Balances at December 31, 2022	<u>34,931,493</u>	<u>(28,147)</u>	<u>1,447,323</u>	<u>(4,153,262)</u>	<u>32,197,407</u>
Profit for the year, being total comprehensive income	-	-	2,428,647	-	2,428,647
Transactions with owners of the Company:					
Stock units cancelled	(28,147)	28,147	-	-	-
Dividends declared (note 22)	<u>-</u>	<u>-</u>	<u>(1,367,553)</u>	<u>-</u>	<u>(1,367,553)</u>
Total transactions with owners of the Company	<u>(28,147)</u>	<u>28,147</u>	<u>(1,367,553)</u>	<u>-</u>	<u>(1,367,553)</u>
Balances at December 31, 2023	34,903,346	-	2,508,417	(4,153,262)	33,258,501
Profit for the year, being total comprehensive income	-	-	3,385,900	-	3,385,900
Transactions with owners of the Company:					
Dividends declared (note 22)	<u>-</u>	<u>-</u>	<u>(1,435,619)</u>	<u>-</u>	<u>(1,435,619)</u>
Balances at December 31, 2024	<u>\$ 34,903,346</u>	<u>-</u>	<u>4,458,698</u>	<u>(4,153,262)</u>	<u>35,208,782</u>

The accompanying notes form an integral part of the financial statements.

Kingston Properties Limited

STATEMENTS OF CASH FLOWS

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

	Notes	Group		Company	
		2024	2023	2024	2023
Cash flows from operating activities					
Profit for the year		5,374,183	4,647,516	3,385,900	2,428,647
Adjustments for:					
Income tax charge	8	25,570	21,547	-	-
Depreciation	13	23,573	25,470	19,575	20,414
Exchange gain on foreign currency balances		(17,907)	(57,008)	(16,444)	(43,821)
Interest income	7	(96,918)	(244,881)	(88,257)	(172,970)
Interest expense	7	1,532,482	962,851	632,528	526,531
Increase in fair value of investment property	11(b)(i)	(3,047,418)	(2,619,865)	(2,064,445)	(1,411,865)
Decrease in fair value of investments at FVTPL	12(d)	14,087	-	-	-
Gain on disposal of investment property		(1,531,577)	(442,946)	-	-
Loss on disposal of furniture and equipment		30,057	-	-	-
Impairment loss on financial assets	17	301,521	92,082	301,521	92,082
		2,607,653	2,384,766	2,170,378	1,439,018
Changes in:					
Receivables		(341,202)	(194,860)	(499,761)	77,387
Accounts payable and accrued charges		244,413	306,606	198,173	134,163
Income tax paid		11,511	(20,114)	-	-
Owed by subsidiaries		-	-	-	(1,182,100)
Owed to subsidiaries		-	-	1,566,717	(344,848)
Net cash provided by operating activities		2,522,375	2,476,398	3,435,507	123,620
Cash flows from investing activities					
Interest received		87,191	237,993	85,230	166,082
Additions to property and equipment	13	(11,535)	(23,520)	(11,535)	(13,563)
Investments at FVTPL		406,969	-	-	-
Additions to investment property	11(b)(i)	(14,076,750)	(15,385,122)	(6,473,873)	(164,154)
Deposit on investment property		-	(134,559)	-	-
Proceeds of disposal of investment property		4,435,649	2,463,100	-	-
Net cash used in investing activities		(9,158,476)	(12,842,108)	(6,400,178)	(11,635)
Cash flows from financing activities					
Interest paid		(1,454,712)	(806,295)	(573,207)	(449,011)
Dividends paid		(1,435,619)	(1,367,553)	(1,435,619)	(1,367,553)
Loans received		26,053,178	14,115,000	5,912,118	4,615,000
Loans repaid		(14,665,511)	(3,009,478)	(1,148,126)	(2,575,272)
Restricted cash		(433,459)	-	-	-
Net cash provided by financing activities		8,063,877	8,931,674	2,755,166	223,164
Net increase/(decrease) in cash and cash equivalents		1,427,776	(1,434,036)	(209,505)	335,149
Effects of exchange rate fluctuations on cash and cash equivalents		(4,183)	(18,991)	9,735	(3,333)
Cash and cash equivalents at beginning of year		3,170,290	4,623,317	2,371,070	2,039,254
Cash and cash equivalents at end of year	18	\$ 4,593,883	3,170,290	2,171,300	2,371,070

The accompanying notes form an integral part of the financial statements.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

1. Identification and principal activities

Kingston Properties Limited ("the Company") is incorporated in Jamaica under the Companies Act. The Company is domiciled in Jamaica, with its registered office at 7 Stanton Terrace, Kingston 6, and the principal place of business at Building B, First Floor, 36-38 Red Hills Road, Kingston 10. The Company is listed on the Jamaica Stock Exchange.

The Company has six (2003: five) wholly owned subsidiaries:

- (i) KPREIT (St. Lucia) Limited, incorporated in St. Lucia under the International Business Companies Act; and its wholly-owned subsidiary KPREIT (Cayman) Limited. On January 3, 2022 the Company transferred 100% of its shareholdings in the company formally known as Kingston Properties (St. Lucia) Limited to its subsidiary KPREIT (St Lucia) Limited.
- (ii) On January 4, 2022 the company formally known as Kingston Properties (St Lucia) Limited was redomiciled to the Cayman Islands by way of continuation, and its name changed on the said date to KPREIT (Cayman) Limited.
- (iii) Kingston Properties Miami LLC a wholly owned subsidiary of KPREIT (Cayman) Limited was incorporated in Florida under the Florida Limited Liability Company Act.
- (iv) KP (Reit) Jamaica Limited, incorporated in Jamaica under the Companies Act.
- (v) KP Dumfries Limited, incorporated in Jamaica on February 16, 2021 under the Companies Act.
- (vi) KPRE (UK) Limited, incorporated in United Kingdom on March 20, 2024.

The Company and its subsidiaries are collectively referred to as "the Group". In these financial statements 'parent' refers to the Company and 'intermediate parent' refers to KPREIT (St. Lucia) Limited.

The principal activity of the Group is to invest in attractive real estate assets in Jamaica and selected international markets.

2. Statement of compliance and basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards and the relevant provisions of the Jamaican Companies Act ("the Act").

New and amended standards and interpretations that became effective during the year:

Certain new and amended standards came into effect during the current financial year. The adoption of those standards and amendments did not have any significant effect on the amounts and disclosures in the financial statements.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

(a) Statement of compliance (continued)

New and amended standards and interpretations that are not yet effective (continued):

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the Group has not early adopted. The Group has assessed them with respect to its operations and has determined that the following is relevant:

- IFRS 18 *Presentation and Disclosure in Financial Statements*, is effective for annual reporting periods beginning on or after January 1, 2027. Under current IFRS Accounting Standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. IFRS 18 promotes a more structured income statement. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories (Operating, Investing and Financing) based on a company's main business activities.

All companies are required to report the newly defined 'operating profit' subtotal – an important measure for investors' understanding of a company's operating results – i.e. investing and financing activities are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category.

IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. Under the new standard, this presentation provides a 'useful structured summary' of those expenses. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

IFRS 18 requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for management performance measures (MPMs), requiring them to be a subtotal of income and expenses, used in public communications outside the financial statements and reflective of management's view of financial performance. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

Management will conduct a detailed assessment of the impact that the standard will have on the financial statements when it became effective.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment property and investments in real estate funds which are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)

2. Statement of compliance and basis of preparation (continued)

(c) Functional and presentation currency

The financial statements are presented in United States dollars (\$), the Group's functional currency, unless otherwise indicated.

(d) Use of judgements and estimates

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make estimates and judgements that affect the selection of accounting policies and the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income, expenses, gains and losses for the period then ended. Actual amounts could differ from those estimates. The estimates and the assumptions underlying them, are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods. The critical judgements made in applying accounting policies and the key areas of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements, and or that have a significant risk of material adjustment in the next financial period, are as follows:

(i) Judgements:

For the purpose of these financial statements, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the agreed principles set out in IFRS Accounting Standards.

The key relevant judgements are as follows:

Impairment of financial assets

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit losses (ECL) and the selection and approval of models used to measure ECL requires significant judgement [see notes 3(h) and 27(a)].

(ii) Key assumptions concerning the future and other sources of estimation uncertainty:

(1) Valuation of investment property

Investment property is measured at fair value. Given the infrequency of trades in comparable properties in some cases, and therefore the absence of a number of observable recent market prices, fair value is less objective and requires significant estimation, which is impacted by the uncertainty of market factors, pricing assumptions and general business and economic conditions [see note 11(c)].

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year Ended December 31, 2024***(Expressed in United States Dollars unless otherwise stated)***2. Statement of compliance and basis of preparation (continued)****(d) Use of judgements and estimates (continued)****(ii) Key assumptions concerning the future and other sources of estimation uncertainty (continued):****(2) Taxation**

Recognition of current and deferred tax involves judgement and estimates, given that the Group is subject to special tax rules in respect of its investment property operations, particularly in the United States of America.

This includes the application of the Internal Revenue Service (IRS) 1031 Exchange Capital Gains Real Estate Tax Deferment rules, under which the Group is allowed to sell investment property and reinvest the proceeds in ownership of like-kind property, and thereby defer the capital gains taxes.

(3) Valuation of investments at fair value through profit or loss (FVTPL)

Management uses its judgement in selecting the appropriate valuation techniques to determine fair value of financial instruments. The estimates of fair value arrived at may be significantly different from the actual price of the instrument in an actual arm's length transaction (see note 12).

3. Material accounting policies

The Group has consistently applied the accounting policies set out below to all periods presented in these financial statements.

(a) Consolidation

The consolidated financial statements combine the financial position, results of operations and cash flows of the Company and its subsidiaries (note 1), after eliminating intra-group amounts.

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)

3. Material accounting policies (continued)

(b) Investment in subsidiaries

Investments in subsidiaries (note 1) are accounted for at cost less, impairment losses, if any, in the separate financial statements.

(c) Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less used in the management of short term commitments and subject to an insignificant change in fair value.

(d) Accounts payable and accrued charges

Accounts payable and accrued charges are measured at amortised cost.

(e) Receivables

Receivables are measured at amortised cost less impairment losses, if any.

(f) Related parties

A related party is a person or entity that is related to the Group.

(i) A person or a close member of that person's family is related to the Group if that person.

- (1) has control or joint control over the Group;
- (2) has significant influence over the Group; or
- (3) is a member of the key management personnel of the Group.

(ii) An entity is related to the Group if any of the following conditions applies:

- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (3) Both entities are joint ventures of the same third party.
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (6) The entity is controlled, or jointly controlled by a person identified in (i).

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year Ended December 31, 2024***(Expressed in United States Dollars unless otherwise stated)***3. Material accounting policies (continued)****(f) Related parties (continued)****(ii) An entity is related to the Group if any of the following conditions applies (continued):**

- (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).**
- (8) The entity, or any member of a group of which it is a part provides key management services to the Group.**

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

(g) Foreign currencies

- (i) Transactions in foreign currencies are translated to the functional currencies at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date.**

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

- (ii) Exchange differences arising on settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, are recognised as income or expense in the period in which they arise. Non-monetary assets and liabilities that are denominated in foreign currencies and are measured at historical cost are translated at the foreign exchange rate ruling at the date of the transaction.**

Non-monetary assets and liabilities that are denominated in foreign currencies and are carried at fair value are translated to the functional currency at the foreign exchange rates ruling at the dates that the fair values were determined.

(h) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. A significant increase in credit risk is assumed to have occurred if there is a delinquency for rent received from tenants or failure to repay in a timely manner.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

3. Material accounting policies (continued)

(h) Impairment of financial assets (continued)

The Group recognises loss allowances for ECLs and considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realising security if any is held; or
- the financial asset is more than 365 days past due.

The Group uses judgement when considering the following factors that affect the determination of impairment:

Macroeconomic factors, forward looking information and multiple scenarios

The Group applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. Macroeconomic factors and forward-looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECL at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group assumes that the credit risk on financial assets has increased significantly if it is more than 365 days past due. For trade receivables, the Group applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision matrix.

The lifetime ECL are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

(i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise receivables, cash and cash equivalents, investment at FVTPL instruments, restricted cash and owed by subsidiaries. Financial liabilities comprise accounts payable, loan payable and owed to subsidiaries.

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year Ended December 31, 2024***(Expressed in United States Dollars unless otherwise stated)***3. Material accounting policies (continued)****(i) Financial instruments (continued):***Classification and subsequent measurement**Financial assets*

The financial assets that meet both of the following conditions and are not designated as at fair value through profit or loss: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as “Held to collect” and measured at amortised cost.

This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Receivables
- Owed by subsidiaries

Due to their short-term nature, the Group initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in their individual policy notes.

*Financial liabilities**Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Group’s financial liabilities include accounts payable, loans payable and owed to subsidiaries, which are recognised initially at fair value.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described in their individual policy notes.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognised in the consolidated statement of comprehensive income.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

3. Material accounting policies (continued)

(i) Financial instruments (continued):

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(j) Capital

(i) Classification

Ordinary shares are classified as equity. Ordinary share capital is initially measured net of directly attributable issue costs.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds of issue.

(iii) Repurchase and reissue of ordinary shares (treasury shares)

When the Company repurchases its own stock, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is shown as a deduction from equity. The repurchased shares are classified as treasury shares and are presented in the treasury share reserve.

(iv) Dividends

Dividends are recorded in the financial statements in the period in which they are declared and become irrevocably payable.

(k) Income tax

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

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

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets or liabilities. For this purpose the carrying amount of investment property measured at fair value is presumed to be recovered through sale.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(k) Income tax (continued)

A deferred tax asset is recognised only to the extent that management can demonstrate that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Current and deferred tax assets and liabilities are offset in the statement of financial position if they apply to the same tax authority.

Recognition of current and deferred tax involves judgement and estimates given that the Company's subsidiary, Kingston Properties Miami LLC, is subject to special tax rules in respect of its investment property operations in the United States.

The subsidiary participates in the Internal Revenue Service (IRS) 1031 Exchange Capital Gains Real Estate Tax Deferment on the disposal of investment property, which requires that the subsidiary:

- (i) Identify a replacement property within 45 days.
- (ii) Exchange the property the earliest of:
 - (a) 180 days after it sells the relinquished property
 - (b) The due date of the income tax return that would include the property sale.
- (iii) Not receive cash from the sale prior to the exchange. It may use a qualified intermediary to hold such cash prior to the exchange.

(l) Furniture, software and equipment

- (i) Items of office equipment and furniture are measured at cost less accumulated depreciation and impairment losses.

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

The costs of day-to-day servicing of office equipment, software and furniture are recognised in profit or loss as incurred.

- (ii) Depreciation is recognised in profit or loss on the straight-line basis over the estimated useful life of the asset. The depreciation rates for furniture, computer software and equipment are as follows:

Computer and accessories	20%
Furniture and fixtures	10%
Computer software	33.3%

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

3. Material accounting policies (continued)

(m) Investment property

Investment property comprises commercial complexes of offices and warehouses, residential condominiums and a commercial manufacturing building held for long-term rental yields and capital gain.

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

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

Rental income from investment property is recognised as operating revenue on a straight-line basis over the term of the lease.

The Group leases out investment properties under operating leases [see notes 4 and 11(d)].

(n) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Certain borrowings are described in the loan agreements as demand installation loans and are repayable in monthly installments over periods of seven (7) to twenty (20) years. These loans are secured by properties and there are certain covenant requirements which must be met by the Group. The nature of such loans in substance is that the financial institutions will only demand loan repayments, other than regular installation payments, in the sole event that the Group defaults on its covenant obligations and fails to cure such defaults in accordance with the loan agreements. Such borrowings are therefore classified as long-term borrowings in these financial statements. If the Group defaults on the loan covenants, the borrowings will be reclassified as short-term loans until such time as the default is cured to the satisfaction of the financial institution.

(o) Revenue recognition

Rental and maintenance income are recognised as the related services are consumed.

The Group provides maintenance service for its commercial office spaces. Fees are calculated based on a fixed percentage of the rental income and is charged monthly.

Management fee are recognised over time as the service is provided.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year Ended December 31, 2024***(Expressed in United States Dollars unless otherwise stated)***4. Rental income**

Rental income represents gross revenues from investment properties owned by the Group in Jamaica, Cayman Islands, United Kingdom and United States which are both commercial and residential properties [see note 11(d)]. The lease terms generally run from three (3) to five (5) years, with options to renew. Some leases may have options for periodic rate adjustments to reflect market rentals. The leases are fixed rate leases in the currency in which they are negotiated.

5. Management fees

This represents fees charged by the Group against the Common Area Maintenance Accounts of the investment properties located in Jamaica only. These properties located in Jamaica are managed directly by the Group.

6. Operating expenses

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Accounting fees	2,191	5,625	-	-
Advertising and promotion	22,476	25,092	22,476	25,092
Audit fees - current year (note 9)	102,766	97,496	58,068	54,181
Audit fees - prior year under/ (over) accrual (note 9)	900	3,936	-	(763)
Bank charges	7,129	7,109	2,053	3,851
Brokers fees	28,127	-	16,384	-
County and state taxes	-	2,042	-	-
Depreciation (note 13)	23,573	25,470	19,575	20,414
Directors' fees [note 9 and 16(b)]	99,990	71,400	49,995	35,700
Donations	10,660	9,805	10,660	9,805
Dues and subscriptions	14,763	12,010	14,529	11,655
Property expenses [note 11(e)]	620,739	380,623	316,324	186,862
Regulatory fees and charges	30,583	28,173	30,583	28,173
Salaries and related costs	957,758	717,591	811,125	626,917
Contribution and defined contribution plan	34,935	28,477	34,935	28,477
Office expenses	72,422	61,975	69,924	60,566
Other operating expenses	32,721	46,457	5,792	35,447
Utilities	10,421	10,006	8,264	7,828
	<u>\$2,072,154</u>	<u>1,533,287</u>	<u>1,470,687</u>	<u>1,134,205</u>

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)
7. Net finance costs

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Finance income:				
Interest income	96,918	244,881	88,257	172,970
Foreign exchange gains	-	37,146	22,557	37,211
Total finance income	96,918	282,027	110,814	210,181
Finance costs:				
Foreign exchange losses	(9,471)	-	-	-
Interest expense	(1,454,156)	(907,685)	(582,943)	(483,768)
Commitment fees [note 20(vi)]	(68,855)	(55,166)	(49,585)	(42,763)
Total finance costs	(1,532,482)	(962,851)	(632,528)	(526,531)
Net finance costs	<u>\$ (1,435,564)</u>	<u>(680,824)</u>	<u>(521,714)</u>	<u>(316,350)</u>

8. Income tax charge
(a) Taxation comprises:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax charge:				
Income tax at 25%	25,570	17,115	-	-
Income tax at 21%	-	4,432	-	-
Total income tax charge	<u>\$25,570</u>	<u>21,547</u>	<u>-</u>	<u>-</u>

(b) Reconciliation of actual tax expense:

The tax rate for the Company and Jamaica subsidiaries 25% (2023: 25%) of profit before income tax, adjusted for tax purposes, while the tax rate for the St. Lucia subsidiary is 30% (2023: 30%) of profits, and that for the Florida subsidiary is 21% (2023: 21%).

The actual tax charge for the year is as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit before income tax	<u>\$5,399,753</u>	<u>\$4,669,063</u>	<u>3,385,900</u>	<u>2,428,647</u>
Computed "expected" tax expense				
at Jamaican tax rate of 25%	1,349,938	1,167,266	846,475	607,162
Effect of different tax rates in				
foreign jurisdictions	(619,421)	(414,090)	-	-
Fair value gains disallowed	(761,855)	(565,466)	(516,111)	(352,966)
Depreciation and capital allowances	(159,101)	(141,265)	(119,416)	(119,534)
Disallowed expenses/(income), net	86,182	(75,582)	(334,671)	(203,074)
Utilised tax losses	129,827	50,684	123,723	68,412
Actual tax charge	<u>\$ 25,570</u>	<u>21,547</u>	<u>-</u>	<u>-</u>
Effective rate of tax	<u>0.47%</u>	<u>0.46%</u>	<u>-</u>	<u>-</u>

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year Ended December 31, 2024***(Expressed in United States Dollars unless otherwise stated)*8. Income tax charge (continued)

- (c) Although tax losses may be carried forward indefinitely in Jamaica, the amount that can be utilised in any one year is restricted to 50% of chargeable income for that year. There was no tax loss utilised in the current year (2023: \$Nil)

Income tax losses, available for set-off against future taxable profits, amounted to approximately \$1,438,657 for the Company and \$1,699,086 for the Group (2023: \$1,042,611 for the Company and \$1,282,895 for the Group).

The Company did not disclose any deferred tax asset as this was immaterial based on the temporary differences. The amount of tax losses used to reduce deferred tax expense during the year was \$9,061 (2023: \$32,837).

- (d) The balances and movements on deferred tax are as follows:

	Group			
	Balance at December 31, 2022	Recognised in profit or loss	Balance at December 31, 2023	Recognised in profit or loss
				Balance at December 31, 2024
Investments	\$108,473	-	108,473	-

9. Profit for the year

The following are among the items charged in arriving at the profit for the year:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Auditors' remuneration				
- current year (note 6)	102,766	97,496	58,068	54,181
- prior year (note 6)	900	3,936	-	(763)
Key management personnel:				
Short-term employee benefits	635,979	371,064	635,979	371,064
Directors' remuneration fees (note 6)	99,990	71,400	49,995	35,700

10. Earnings per stock unit

Diluted EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding the during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares as there are no dilutive instruments outstanding, basic and dilutive earnings per share are identical.

The earnings per stock unit is computed by dividing the profit for the year of \$5,374,183 (2023: \$4,647,516), attributable to the Group's stockholders, by a weighted average number of stock units issue during the year, determined as follows:

	2024	2023
Ordinary stock units at January 1, being weighted average number of ordinary stock units held during the year	884,000,000	884,000,000

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)
10. Earnings per stock unit (continued)

	<u>2024</u>	<u>2023</u>
Earnings and diluted earnings per stock unit (USD)	\$0.0061	0.0053
Earnings and diluted earnings per stock unit (JMD)	\$0.9509	0.8166

There have been no other transaction involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

11. Investment property

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

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Red Hills Road Commercial Complex	6,418,684	5,809,737	6,404,066	5,809,737
Spanish Town Road Commercial Complex	3,398,231	3,360,000	3,412,850	3,360,000
East Ashenheim Road	7,980,000	6,499,505	7,980,000	6,499,505
Grand Harbour Shoppes	14,886,573	14,886,573	-	-
Tropic Centre	-	3,351,822	-	-
Grenada Crescent	8,136,566	7,153,982	-	-
Rosedale Warehouses	2,575,000	2,575,000	-	-
Harbour Centre	14,077,311	12,987,757	-	-
Rousseau Road	692,543	664,542	692,542	664,542
Spanish Town Road	1,878,811	1,889,998	1,878,811	1,889,998
GumTree	4,011,183	-	-	-
East Street and John's Lane Parking Lot	673,902	-	673,902	-
6, 8-10 Duke Street	5,719,929	-	5,719,929	-
2350 Aztec West	5,275,730	-	-	-
	<u>\$75,724,463</u>	<u>\$59,178,916</u>	<u>26,762,100</u>	<u>18,223,782</u>

(b) (i) Reconciliation of carrying amount:

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

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance as at beginning of year	59,178,916	40,137,529	18,223,782	14,347,763
Additions during the year	14,076,750	15,385,122	6,473,873	164,154
Disposals during the year	(2,904,072)	(1,263,600)	-	-
Transfer from deposit on property [see note 15]	2,773,590	-	-	-
Transfers (to)/from held-for-sale [see note 11(g)]	(448,139)	2,300,000	-	2,300,000
Fair value gains	3,047,418	2,619,865	2,064,445	1,411,865
Balance at end of year	<u>\$75,724,463</u>	<u>\$59,178,916</u>	<u>26,762,100</u>	<u>18,223,782</u>

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

11. Investment property (continued)

- (b) (ii) The fair value measurement for investment property is classified as Level 3.

Valuation techniques and significant unobservable inputs:

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p><i>Investment approach:</i> The valuation model examines the price an investor would be prepared to pay for the right to receive a certain income stream.</p> <p>The model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, and current rental rates. The estimated net cash flows are discounted using current yields. Among other factors, the yield estimation considers the quality of a building and its location, tenants' credit quality and lease terms.</p>	<ul style="list-style-type: none"> • Annual net income • Capitalization rates 8.00% - 8.75% • Discount factor 9.00% - 9.50% 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • CAP Rates were lower/(or decrease if CAP rates were higher). • Gross Rental Rates were higher (lower); or • Land Values were lower (higher) • Lease terms were longer (shorter)

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

11. Investment property (continued)

- (b) (ii) The fair value measurement for investment property is classified as Level 3 (continued)

Valuation techniques and significant unobservable inputs (continued):

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p><i>Sales comparison approach:</i> The approach relies heavily upon the principle of substitution. Recent sales of similar properties are gathered and a meaningful unit of comparison is developed.</p> <p>A comparative analysis of the subject is done, involving consideration for differences in location, time, terms of sales and physical characteristics.</p>	<ul style="list-style-type: none"> Sales of similar properties 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> Sales prices of similar properties were higher/(lower)
<p><i>Income approach:</i> This approach converts anticipated annual net income into an indication of value. This process is called capitalization, and involves multiplying the annual net income by a factor or dividing it by a rate that weighs such considerations such as risk, time, and return on investment.</p>	<ul style="list-style-type: none"> Annual net income Capitalization rates 8.00% - 8.25% Discount factor 9.00% - 10.00% 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> Annual net income was higher/(lower) Capitalization multiple was higher/(lower)

The investment approach is used for investment property in the Cayman Islands, while sales comparison and income approach are used for all properties located in Jamaica and USA.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year Ended December 31, 2024***(Expressed in United States Dollars unless otherwise stated)***11. Investment property (continued)**

- (c) (i) The fair value of investment property as at the reporting date is based on estimates of open market value, which may be defined as the best price at which an interest in a property might reasonably be expected to be sold by private treaty at the date of valuation, assuming:
- a willing seller;
 - a willing buyer;
 - a reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market;
 - values are expected to remain stable throughout the period of market exposure and disposal by way of sale;
 - the property will be freely exposed to the market;
 - that no account has been taken of any possible additional bid(s) reflecting any premium in price which might be forth-coming from a potential purchaser with a special interest in acquiring the premises; and
 - that the subject premises, in its current zoned use class, can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its land use class, in the open market.
- (ii) The Spanish Town Road Commercial Complex and the property located at Grenada Crescent were revalued as at January 5, 2024 and December 31, 2024, respectively, by independent valuers, NAI Jamaica: Langford and Brown.
- (iii) The East Ashenheim Road property was revalued by independent valuers, NAI Jamaica: Langford Brown as at December 31, 2024.
- (iv) The Red Hills Road Commercial Complex was revalued by independent valuers, NAI Jamaica: Langford Brown as at December 31, 2024.
- (v) The Harbour Centre and Tropic Centre were revalued by independent valuers, DDL Studio Limited, of the Cayman Islands as at March 7, 2024 and November 29, 2022 respectively.
- (vi) The Rosedale property was revalued by independent valuers, DDL Studio Limited, of the Cayman Islands as at December 1, 2023.
- (vii) The Rousseau Road property was revalued as at January 5, 2024, by independent valuers, NAI Jamaica: Langford and Brown.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)
11. Investment property (continued)
(c) (Continued)

- (viii) The Spanish Town Road property was revalued as at December 31, 2023 by independent valuers, NAI Jamaica: Langford and Brown
- (ix) The Grand Harbour Shoppes property was purchased in the Cayman Island during the prior year at a cost of \$14.89m which is assumed to approximate to its fair value as at the reporting date.
- (x) 6, 8-10 Duke Street and East Street parking lot in Jamaica, Gumtree in Cayman, and 2350 Aztec West in the UK were all acquired during the year at their estimated fair values which are deemed to be the fair values as at December 31, 2024.

(d) Gross rental income from investment property is as disclosed in note 4.

(e) Property operating expenses (note 6) are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Homeowners' association fees	48,401	43,968	-	-
Insurance premiums	265,959	162,297	226,173	125,557
Property taxes	13,265	19,077	13,265	15,073
Professional fees	119,185	61,214	65,259	43,448
Repairs and maintenance	27,484	51,575	11,627	2,784
Security	-	80	-	-
Management fees	<u>146,445</u>	<u>42,412</u>	<u>-</u>	<u>-</u>
	<u>\$620,739</u>	<u>380,623</u>	<u>316,324</u>	<u>186,862</u>

(f) During the prior year, a residential condominium located in Fort Lauderdale, Florida was sold. The Group completed the gradual transition of its property portfolio away from a concentration in condominiums (in South Florida) into higher-yielding properties.

(g) During the year the Group commenced disposal of the units in the Tropic Centre. One unit remain unsold at December 31, 2024, however, a sale agreement was in place to sell the unit subsequent to the year end. This unit was therefore classified as investment property held for sale and was disposed of on January 11, 2025.

During the prior year, the Spanish Town Road Industrial Complex was reclassified to investment property when Management decided not to sell the property.

12. Investments at fair value through profit or loss

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
CGI Fund (a)	600,000	1,000,000
Polaris at Camp Creek LLC (b)	2,458,779	2,244,659
Polaris at East Point Partners (c)	<u>1,384,847</u>	<u>1,620,024</u>
	<u>\$4,443,626</u>	<u>4,864,683</u>

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

12. Investments at fair value through profit or loss (continued)

Kingston Properties Miami LLC (KPM), a subsidiary of the Company acquired equity interest in unquoted investment Funds during the prior years. However, the Company did not apply the equity method of accounting and recorded these interests as a FVTPL investments since KPM does not have significant influence over the operations of these Funds.

The investments are being managed under subscription agreements which give the General Partner of the Funds full management control over all operational and strategic decisions about the underlying assets. These subscription agreements specifically exclude the Company from participating in the relevant activities which precludes the Company from having significant influence over the investees. The Company earns dividend distributions from the Funds' earnings as determined by the General Partners and the investments are recoverable from the net assets of the Funds on winding up.

- (a) During 2020 the Miami subsidiary invested US\$1,000,000 in capital (representing a 2.1% interest) in CGI Fund I as a limited partner. This is an equity investment from which the Company earns dividend distributions and the investment is expected to be recovered from net assets upon the Fund's termination. The Fund which is managed by CGI Investment Management LLC, invests in a portfolio of class-A office buildings and mixed use properties in Miami. The investment is measured at fair value and categorised as Level 3 in the fair value hierarchy.

The following table shows the valuation techniques and significant unobservable inputs used. There was a fair value loss of \$400,000 recognised during the year (2023: \$Nil) [see 12(d)]. Further, the Company received no dividend (2023: \$Nil) in respect of this investment.

Valuation technique	Significant unobservable inputs	Range of input	Inter-relationship between key unobservable inputs and fair value measurement
<i>Income capitalisation approach</i> This approach converts anticipated annual net income into an indication of value. This process is called capitalisation and involves multiplying the annual net income by a factor or dividing it by a rate that weighs such considerations such as risk, time, and return on investment.	<ul style="list-style-type: none"> Overall capitalization rate Discount rate Terminal capitalisation rate 	5.00%-7.00% 7.25% -8.25% 5.75% -6.75%	<ul style="list-style-type: none"> Reduction in the capitalisation rates and discount rate will increase the investment values Increase in the growth rate will increase the investment value

(b) Subscription fund units

During 2021 the Company acquired 1,831,364 units (representing a 38% interest) at the cost of US\$1,831,364 in Polaris at Camp Creek LLC, a Delaware limited liability company (Polaris). Polaris was formed to acquire and develop a multi-family property in Atlanta, USA thereby providing members with commercial real estate opportunities via subscription for units in the company. This is an equity investment from which the Company earns dividend distributions, and the investment is expected to be recovered from net assets upon the Fund's termination. The investment is measured at fair value through profit or loss [see note 2(d)(ii)(3)].

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

12. Investments at fair value through profit or loss (continued)

(b) Subscription fund units (continued)

The fair value measurement of the units is categorised as Level 3 and the following table shows the valuation techniques and significant unobservable inputs used. A fair value gain of \$614,120 was recognized during the year (2023: \$Nil), see note 12(d).

Valuation technique	Significant unobservable inputs	Range of input	Inter-relationship between key unobservable inputs and fair value measurement
<p><i>Income capitalisation approach</i></p> <p>This approach converts anticipated annual net income into an indication of value. This process is called capitalisation and involves multiplying the annual net income by a factor or dividing it by a rate that weighs such considerations such as risk, time, and return on investment.</p>	<ul style="list-style-type: none"> Overall capitalization rate Discount rate Term Terminal capitalisation rate Growth rate 	<p>5.61%</p> <p>8.68 -14.59% up to 5 years</p> <p>6.07%</p> <p>1.00%</p>	<ul style="list-style-type: none"> Reduction in the capitalization rates and discount rate will increase the investment values Increase in the growth rate will increase the investment value

During the year the Company received no dividend distribution (2023: \$31,448) [see 12(d)] from the investment. However, during the year the company received a partial return of invested capital of \$409,970 (2023: \$Nil) following a refinancing of the Fund's loan capital.

- (c) During 2022 the Group acquired 1,620 units at a cost of US\$1,620,000 (representing a 42% interest) in Polaris at East Point, a Delaware LLC formed to acquire a 120 unit multi-family property in Atlanta, USA. This is an equity investment from which the Group earns dividend distributions and the investment is expected to be recovered from net assets upon the Fund's termination. The investment is measured at fair value through profit and loss [see note 2(d)(ii)(3)]. The fair value measurement of the units is categorised as Level 3 and the following table shows the valuation techniques and significant unobservable inputs used.

A fair value loss of \$228,207 was recognised during the year (2023: \$Nil), see 12(d).

Valuation technique	Significant unobservable inputs	Range of input	Inter-relationship between key unobservable inputs and fair value measurement
<p><i>Income capitalisation approach</i></p> <p>This approach converts anticipated annual net income into an indication of value. This process is called capitalisation, and involves multiplying the annual net income by a factor or dividing it by a rate that weighs such considerations such as risk, time, and return on investment.</p>	<ul style="list-style-type: none"> Overall capitalization rate Discount rate Term Terminal capitalisation rate Growth rate 	<p>5.61%</p> <p>8.68 -14.59% Up to 5 years</p> <p>5.50%</p> <p>1.00%</p>	<ul style="list-style-type: none"> Reduction in the capitalization rates and discount rate will increase the investment values Increase in the growth rate will increase the investment value

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

12. Investments at fair value through profit or loss (continued)

(d) The following shows movement in fair value of securities:

	Group	
	<u>2024</u>	<u>2023</u>
	\$	\$
Balance at January 1	4,864,683	4,864,683
Capital distribution [see (b)]	(406,970)	-
Net fair value movement during the year:		
CGI funds [see (a)]	(400,000)	-
Polaris [see (b)]	614,120	-
Polaris East [see (c)]	(228,207)	-
	(14,087)	-
Balance at December 31	<u>4,443,626</u>	<u>4,864,683</u>

13. Furniture, software and equipment

	Group			Company		
	Office furniture & equipment	Computer software	Total	Office furniture & equipment	Computer software	Total
Cost						
December 31, 2022	161,366	22,337	183,703	116,958	19,137	136,095
Additions	<u>23,520</u>	-	<u>23,520</u>	<u>13,563</u>	-	<u>13,563</u>
December 31, 2023	184,886	22,337	207,223	130,521	19,137	149,658
Additions	11,535	-	11,535	11,535	-	11,535
Disposals	(46,051)	-	(46,051)	-	-	-
December 31, 2024	<u>150,370</u>	<u>22,337</u>	<u>172,707</u>	<u>142,056</u>	<u>19,137</u>	<u>161,193</u>
Depreciation						
December 31, 2022	73,825	12,360	86,185	62,345	9,160	71,505
Charge for year	<u>19,791</u>	<u>5,679</u>	<u>25,470</u>	<u>14,735</u>	<u>5,679</u>	<u>20,414</u>
December 31, 2023	93,616	18,039	111,655	77,080	14,839	91,919
Charge for year	19,496	4,077	23,573	15,498	4,077	19,575
Eliminated on disposals	(16,012)	-	(16,012)	-	-	-
December 31, 2024	<u>97,100</u>	<u>22,116</u>	<u>119,216</u>	<u>92,578</u>	<u>18,916</u>	<u>111,494</u>
Net book value						
December 31, 2024	<u>\$53,270</u>	<u>221</u>	<u>53,491</u>	<u>49,478</u>	<u>221</u>	<u>49,699</u>
December 31, 2023	<u>\$91,270</u>	<u>4,298</u>	<u>95,568</u>	<u>53,441</u>	<u>4,298</u>	<u>57,739</u>

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)
14. Investment in subsidiaries

	<u>Company</u>	
	<u>2024</u>	<u>2023</u>
Kingston Properties Miami LLC [see (i) below]	3,102,985	3,102,985
KP (Reit) Jamaica Limited [see (ii) below]	3,616,142	3,616,142
KPREIT (St. Lucia) Limited [see (iii) below]	<u>14,188,827</u>	<u>7,866,268</u>
	<u>\$20,907,954</u>	<u>14,585,395</u>

- (i) Kingston Properties Miami LLC has no share capital; the parent's sole ownership and control is by virtue of the intermediate parent, KPREIT (St Lucia) Limited being its sole member.
- (ii) KP (Reit) Jamaica Limited was formed in 2018; this represents the amount paid for shares in KP (Reit) Jamaica Limited.
- (iii) This represents the value of the Company's 100% interest in its wholly owned subsidiary KPREIT (St Lucia) Limited. During the year the Company contributed an additional amount of \$6,322,559, by converting advances made to its subsidiary in previous years to invested capital. The purpose of these amounts was to invest in long-term assets.

15. Deposit on investment property

In 2021, the Group entered into an agreement to purchase a warehouse property in Cayman Islands for a value of C\$2,585,000. The initial deposit represented 80% of the purchase price paid and the remaining 20% will be paid overtime until the successful completion of construction of the property. During the year, the sale was completed and the asset transferred to investment property [see note 11(b)(i)].

16. Related party transactions

- (a) The statement of financial position includes balances with related parties, arising in the normal course of business as follows:

	<u>Company</u>	
	<u>2024</u>	<u>2023</u>
Owed by subsidiaries:		
Kingston Properties Miami LLC (i)	-	3,205,336
KP (Reit) Jamaica Limited (ii)	-	31,090
KPREIT (Cayman) Limited (iii)	<u>-</u>	<u>3,557,162</u>
	<u>\$ -</u>	<u>6,793,588</u>
Owed to subsidiaries:		
KP (Reit) Jamaica Limited (vi)	236,540	-
Kingston Properties Miami LLC (v)	467,840	-
KPREIT (Cayman) Limited (vi)	418,339	-
Kingston Properties Dumfries Limited (iv)	<u>-</u>	<u>27,031</u>
	<u>\$1,122,719</u>	<u>27,031</u>

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year Ended December 31, 2024***(Expressed in United States Dollars unless otherwise stated)*16. Related party transactions (continued)

(a) (Continued)

- (i) This was amounts advanced by the Company to Kingston Properties Miami LLC for investment purposes. This was returned to the Company's wholly owned subsidiary and the Company converted the amounts to invested capital in that subsidiary [see Note 14(iii)].
- (ii) This represents rental income collected by the Company on behalf of KP (Reit) Jamaica Limited, net of reimbursable expenses.
- (iii) This represents cash advanced to KPREIT (Cayman) Limited for short term investments. The Company converted the amounts to invested capital during the year [see Note 14(iii)].
- (iv) The prior year amount represents operating income collected by the Company on behalf Kingston Properties Dumfries Limited.
- (v) This represents amounts advanced by the Company to Kingston Properties Miami LLC for investment purposes.
- (vi) These are short-term advances made to the Company by its subsidiaries.

- (b) The statement of profit or loss and other comprehensive income includes expenditures incurred with related parties arising in the normal course of business as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Legal fees and other				
expenses (See note below)	92,492	7,366	66,350	7,033
Directors' fees (note 6)	99,990	71,400	49,995	35,700
Dividend distribution	<u>-</u>	<u>-</u>	<u>1,693,095</u>	<u>950,659</u>

The Group used the legal services of one of its directors in relation to the reviewing of contracts, corporate administrative services and on acquisition of certain investments. Acquisition related services have been capitalized under the cost of the respective investment property.

- (c) All related party balances are unsecured, interest free with no fixed repayment date and considered low credit risk as these parties have intention and ability to settle these balances. The balances may be settled by cash from operations or disposal of assets. No expected credit loss is recognized on balances due from related companies.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)
17. Receivables

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Rent receivable	535,640	271,411	396,223	180,161
Impairment loss allowance [note 27(a)]	(53,331)	(134,413)	(52,992)	(134,074)
Net rent receivable	482,309	136,998	343,231	46,087
Withholding tax recoverable	68,331	45,156	67,170	44,494
Security deposits	2,067	2,471	1,161	1,172
Prepayments	38,299	33,120	7,330	12,456
Other receivables (i)	<u>274,183</u>	<u>607,764</u>	<u>153,084</u>	<u>269,527</u>
	<u>\$865,189</u>	<u>825,509</u>	<u>571,976</u>	<u>373,736</u>

- (i) Other receivables comprise of reimbursable property expenses recoverable from Common Area Maintenance accounts, interest receivables and staff advances.

The movement in the allowance for ECL during the year is as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance at January 1	134,413	42,331	134,074	41,992
Write offs	(382,603)	-	(382,603)	-
Net remeasurement of allowance for ECL	<u>301,521</u>	<u>92,082</u>	<u>301,521</u>	<u>92,082</u>
Balance at December 31	<u>\$ 53,331</u>	<u>134,413</u>	<u>52,992</u>	<u>134,074</u>

18. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current accounts	1,801,800	939,394	545,737	185,689
Reverse repurchased agreements (a)	<u>3,225,542</u>	<u>2,230,896</u>	<u>1,625,563</u>	<u>2,185,381</u>
	5,027,342	3,170,290	2,171,300	2,371,070
Less: Restricted cash (b)	(433,459)	-	-	-
	<u>\$4,593,883</u>	<u>3,170,290</u>	<u>2,171,300</u>	<u>2,371,070</u>

- (a) As at December 31, 2024 and 2023 the fair value of the underlying reverse repurchased agreements approximated the carrying values.
- (b) Restricted cash represents funds being held in reserve under conditions of the loan agreements with CIBC Caribbean Bank (Cayman) Limited (note 20).

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

19. Share capital and reserves

(a) Share capital

Authorised capital:

2,000,000,000 (2023: 2,000,000,000) ordinary stock units of no-par value.

	<u>2024</u>	<u>2023</u>
Issued and fully paid:		
884,000,000 (2023: 884,000,000)	\$34,903,346	34,903,346

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

(b) Currency translation reserve

The Group and the Company changed its' functional currency effective from December 31, 2019. All resulting exchange differences in this transition were recognised through other comprehensive income and reflected in the currency translation reserve.

20. Loans payable

	Number of years	Interest rate (%)	Group		Company	
			<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
RBC Royal Bank Cayman US\$1.9m	15	5.75	-	1,414,520	-	-
RBC Royal Bank Cayman US\$1.55m	15	5.75	-	1,206,348	-	-
RBC Royal Bank Cayman US\$6.0m	15	5.75	-	1,558,355	-	-
RBC Royal Bank Cayman US\$9.5m	15	5.75	-	<u>9,319,192</u>	-	-
Total RBC Royal Bank (i)			-	<u>13,498,415</u>	-	-
FirstCaribbean International Bank (Jamaica) Limited (FCIB) J\$371m	10	6.98	1,868,413	2,089,393	1,868,413	2,089,393
FirstCaribbean International Bank (Jamaica) Limited (FCIB) US\$3m	7	5.25	2,210,020	2,493,203	2,210,020	2,493,203
FirstCaribbean International Bank (Jamaica) Limited (FCIB) US\$4.615m	8	5.98	3,680,075	4,124,594	3,680,075	4,124,594
FirstCaribbean International Bank (Jamaica) Limited (FCIB) US\$5m	10	5.98	4,812,115	-	4,812,115	-
FirstCaribbean International Bank (Jamaica) Limited (FCIB) US\$1m	1	5.98	<u>950,144</u>	-	<u>950,144</u>	-
Total FirstCaribbean International Bank (Jamaica) Limited (FCIB) (ii)			<u>13,520,767</u>	<u>8,707,190</u>	<u>13,520,767</u>	<u>8,707,190</u>
CIBC Caribbean Bank (Cayman) Limited US\$21m (iii)	7	5.50	<u>20,141,060</u>	-	-	-
Total loans at the end of the year			33,661,827	22,205,605	13,520,767	8,707,190
Less current portion			(2,764,887)	(1,428,566)	(2,171,546)	(955,110)
Non-current portion			<u>\$30,896,940</u>	<u>20,777,039</u>	<u>11,349,221</u>	<u>7,752,080</u>

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)
20. Loans payable (continued)

- (i) These loans to KPREIT (Cayman) Limited were used to acquire investment properties in Cayman Islands and were fully repaid during the year.
- (ii) These loans payable by Kingston Properties Limited had a fixed interest rate for 2 years and variable rates thereafter. The loans were used to acquire five investment properties in Jamaica as well as property renovations to four properties damaged by Hurricane Beryl. The loans are secured by legal mortgages over the properties.
- (iii) The loan has a fixed interest rate for 2 years and variable rate thereafter. The loan was used to repay RBC loans [see note 20(i)] and acquire investment properties in the United Kingdom. The loan is secured by a debenture over the properties of KPREIT (Cayman) Limited located at Harbour Centre, Rosaedale, Grand Harbour and Gurntree 5.
- (iv) Transaction costs amounting to \$1,150,253 (2023: \$514,373) were deducted from the related loan balances and are being amortised over the lives of the loans using the effective interest method.
- (v) Negative covenants and financial covenants have been issued to the lending institutions with respect to the loan facilities. As at December 31, 2024 the Group was not in breach of any of the loan covenants.
- (vi) Reconciliation of movements of liabilities to cashflow arising from financing activities:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance at January 1	22,205,605	11,044,917	8,707,190	6,624,699
Cash flows - proceeds	26,053,178	14,115,000	5,912,118	4,615,000
Cashflows - repaid	(14,665,511)	(3,009,478)	(1,148,126)	(2,575,272)
Commitment fees (note 7)	68,555	55,166	49,585	42,763
Balance at December 31	<u>\$33,661,827</u>	<u>22,205,605</u>	<u>13,520,767</u>	<u>8,707,190</u>

21. Accounts payable and accrued charges

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Accounts payable	145,484	69,792	58,351	15,745
Accounting and audit fees	82,769	80,403	46,093	43,309
Withholding tax - dividends	176,198	83,299	176,198	83,299
Other payables and accrued charges	259,307	230,553	161,501	146,980
Security deposits held	<u>319,809</u>	<u>275,107</u>	<u>202,174</u>	<u>156,811</u>
	<u>\$983,567</u>	<u>739,154</u>	<u>644,317</u>	<u>446,144</u>

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year Ended December 31, 2024***(Expressed in United States Dollars unless otherwise stated)***22. Dividends**

The Company paid a dividend of \$0.000566 (2023: \$0.00075) per share unit on June 5, 2024 as the first interim dividend for 2024 and a second interim dividend for 2024 of \$0.001058 on December 18, 2024 (2023: \$0.000797) per unit.

23. Fees and other (expenses)/income

During the year, this represents one off landlord costs incurred due to vacancies at some properties, while the Group wrote off costs in relation to a cancelled investment property transaction during 2023.

24. Sale and leaseback

During the year, the Company acquired the following properties which were leased back to the vendor:

- (a) Office buildings located at 6 and 8-10 Duke Street at a cost of \$5,719,929 including transactions cost. The acquisition price is deemed to be at fair value, assessed using the income capitalization approach according to the valuation policy. The building was leased to the vendor at market rates and lease terms of 2 years for 6 Duke Street and 3 years for 8-10 Duke Street. These terms are significantly lower than the remaining life of the building.
- (b) 7 East Street parking lot for \$673,902, including transactions cost. The parking lot, which is intended by the Company to be development land, was leased back to the vendor at arm's length for a period of 2 years.

The vendor retains no controlling interest in or options to re-acquire the properties. The transactions are therefore recognised as a purchase of investment properties under IAS 40 and measured at fair value. The leases are treated as operating leases, whereby monthly lease payments are classified as rental income in the income statement.

25. Establishment of subsidiary

During the year the Company established KPRE (UK) Limited in London, England for the main purpose of holding investment assets in that region. KPRE (UK) Limited is a 100% subsidiary of KPREIT (Cayman) Limited.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

26. Segment reporting

The Group has four (2023: three) operating segments. These segments manages investment properties on a geographic portfolio basis. Internal management reports are reviewed monthly by the Board. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Board. Segment reports are used to measure performance, as management believes that such information is the most relevant in evaluating the results of each segment compared to other entities that operate within these industries. Information regarding the reportable segments is as follows:

	2024					
	Jamaica	United States	Cayman	United	Elimination	Group
	\$	of America	Islands	Kingdom	\$	\$
External revenue	2,336,409	-	2,360,647	20,336	-	4,717,392
Operating expenses	(1,646,950)	(20,146)	(402,261)	(2,797)	-	(2,072,154)
Results of operating activities before other income	689,459	(20,146)	1,958,386	17,539	-	2,645,238
Other income/expenses:						
Fair value gain on revaluation of investment property	3,047,418	-	-	-	-	3,047,418
	3,736,877	(20,146)	1,958,386	17,539	-	5,692,656
Dividend income	1,693,095	-	-	-	(1,693,095)	-
Gain on disposal of investment property	-	-	1,531,577	-	-	1,531,577
Loss on revaluation of investment	-	(14,087)	-	-	-	(14,087)
Management fee	115,730	-	-	11,033	-	126,763
Fee and other income	28,295	-	(228,366)	-	-	(200,071)
Impairment loss on financial assets	(301,521)	-	-	-	-	(301,521)
Interest income	90,218	-	6,700	-	-	96,918
Interest expense and commitment fees	(771,566)	-	(751,445)	-	-	(1,523,011)
Net loss on translation of foreign currency balances	24,222	-	(33,693)	-	-	(9,471)
Profit before tax	4,615,350	(34,233)	2,483,159	28,572	(1,693,095)	5,399,753
Income tax charge	(25,570)	-	-	-	-	25,570
Profit after tax	4,589,780	(34,233)	2,483,159	28,572	(1,693,095)	5,374,183
Non-current assets	55,856,320	4,443,626	35,987,318	5,275,729	(20,907,954)	80,655,039
Current assets	3,210,993	51,576	8,598,335	45,863	(5,966,000)	5,940,767
Total assets	59,067,313	4,495,202	44,585,653	5,321,592	(26,873,954)	86,595,806
Non-current liabilities	11,349,221	108,473	19,547,719	-	-	31,005,413
Current liabilities	4,022,877	3,584,441	860,437	5,292,895	(9,983,214)	3,777,436
Total liabilities	15,372,098	3,692,914	20,408,156	5,292,895	(9,983,214)	34,782,849
Other segment items:						
Capital expenditure	6,485,408	-	5,100,737	5,275,730	-	16,861,875
Depreciation	19,575	-	3,998	-	-	23,573

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

26. Segment reporting (continued)

	2023				
	Jamaica \$	United States of America \$	Cayman Islands \$	Elimination \$	Group \$
External revenue	2,101,854	38,413	1,843,497	-	3,983,764
Operating expenses	(1,241,619)	(28,677)	(262,991)	-	(1,533,287)
Results of operating activities before other income	860,235	9,736	1,580,506	-	2,450,477
Other income/expenses:					
Fair value gain on revaluation of investment property	2,261,865	-	358,000	-	2,619,865
	<u>3,122,100</u>	<u>9,736</u>	<u>1,938,506</u>	<u>-</u>	<u>5,070,342</u>
Dividend income	950,659	-	-	(950,659)	-
Gain on disposal of investment property	395,140	47,806	-	-	442,946
Fee and other income	3,280	6,088	(80,687)	-	(71,319)
Impairment loss on financial assets	(92,082)	-	-	-	(92,082)
Interest income	173,940	-	70,941	-	244,881
Interest expense and commitment fees	(681,471)	-	(281,380)	-	(962,851)
Net loss on translation of foreign currency balances	<u>38,344</u>	<u>-</u>	<u>(1,198)</u>	<u>-</u>	<u>37,146</u>
Profit before tax	3,909,910	63,630	1,646,182	(950,659)	4,669,063
Income tax charge	(17,115)	(4,432)	-	-	(21,547)
Profit after tax	<u>3,892,795</u>	<u>59,198</u>	<u>1,646,182</u>	<u>(950,659)</u>	<u>4,647,516</u>
Non-current assets	<u>40,020,898</u>	<u>4,864,683</u>	<u>36,612,571</u>	<u>(14,585,395)</u>	<u>66,912,757</u>
Current assets	<u>9,802,896</u>	<u>3,341,348</u>	<u>1,017,883</u>	<u>(10,118,495)</u>	<u>4,043,632</u>
Total assets	<u>49,823,794</u>	<u>8,206,031</u>	<u>37,630,454</u>	<u>(24,703,890)</u>	<u>70,956,389</u>
Non-current liabilities	<u>7,752,080</u>	<u>108,473</u>	<u>13,024,959</u>	<u>-</u>	<u>20,885,512</u>
Current liabilities	<u>1,530,668</u>	<u>7,261,036</u>	<u>3,983,371</u>	<u>(10,578,591)</u>	<u>2,196,484</u>
Total liabilities	<u>9,282,748</u>	<u>7,369,509</u>	<u>17,008,330</u>	<u>(10,578,591)</u>	<u>23,081,996</u>
Other segment items:					
Capital expenditure	<u>177,719</u>	<u>-</u>	<u>15,230,924</u>	<u>-</u>	<u>15,408,643</u>
Depreciation	<u>20,414</u>	<u>18</u>	<u>5,038</u>	<u>-</u>	<u>25,470</u>

During the year, revenue from two (2023: two) Jamaica customers of the Group represented approximately \$900,737 or 19% (2023: \$799,000 or 23%) of the Group's total revenue. Of the amount during the year, \$498,341 and \$402,396 (2023: \$514,153 and \$368,552, respectively) was attributable to each customer, respectively.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

27. Financial instruments and financial risk management

The Group has exposure to credit, liquidity, and market risks, which arise in the ordinary course of its business. This note presents information about the Group's exposure to each of the above-listed risks and the Group's objectives, policies and processes for measuring and managing risk.

The risk management policies are established and implemented by the directors to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered.

No derivative instruments are presently used by the Group to mitigate, manage or eliminate exposure to financial instrument risks.

(a) Credit risk

Credit risk is the risk of a financial loss arising from a counter party to a financial contract failing to discharge its obligations. The Group manages this risk by establishing policies for granting credit and entering into financial contracts. The Group's credit risk is concentrated, primarily in cash and cash equivalents, receivables and reverse repurchased agreements.

Exposure to credit risks

The maximum credit exposure, the total amount of loss that the Group would suffer if every counterparty to its financial assets were to default at once, is represented by the carrying amount of the financial assets shown on the statement of financial position at the reporting date, as there is no off-balance-sheet exposure to credit risk.

- (i) Cash and cash equivalents are held with financial institutions that are appropriately licensed and regulated and have a high credit rating, therefore, management believes that exposure to credit risk is minimal. Also, collateral is not required for such accounts, as management regards the institutions as strong.
- (ii) The Group's exposure to credit risk arising from receivables are managed through regular analysis of the ability of the customers and potential customers to meet repayment obligations.

The Investment and Risk Committee has a credit policy under which new lessee is analysed individually for credit worthiness before the lease contract is agreed. Property management for the commercial portfolio involve 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 principals involved in the companies.

- (iii) Reverse repurchased agreements expose the Group to credit losses as there is a risk that the counterparty will fail to fulfill its contractual obligations. These are held with financial institutions that are appropriately licensed and regulated and have a high credit rating, therefore, management believes that exposure to credit risk is minimal. The Group manages this risk by contracting only with counterparties that management considers to be financially sound.

"The Gateway To Global Real Estate Investing"

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

27. Financial instruments and financial risk management (continued)

(a) Credit risk (continued)

Expected credit loss assessment

Trade receivables:

The Group uses a provision matrix to measure ECLs of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates, determined by a probability weighted approach.

Loss rates are calculated based on the probability of a receivable balance progressing through successive stages of delinquency to write-off, the economic conditions over the expected lives of the receivables and other macro-economic factors such as foreign currency exchange rates, interest rates and Gross Domestic Product (GDP).

The following table provides information about the exposure to credit risk and ECLs for rent receivable as at December 31.

		2024		
		Group		
	<u>Weighted average loss rate</u>	<u>Gross carrying amount \$</u>	<u>Loss allowance \$</u>	<u>Credit impaired</u>
Current (not past due)	0.00%	150,769	-	No
31-60 days past due	0.00%	102,572	-	No
More than 60 days past due	18.89%	<u>282,299</u>	<u>53,331</u>	Yes
(see note 17)		<u>535,640</u>	<u>53,331</u>	
		2023		
		Group		
	<u>Weighted average loss rate</u>	<u>Gross carrying amount \$</u>	<u>Loss allowance \$</u>	<u>Credit impaired</u>
Current (not past due)	0.00%	115,129	-	No
31-60 days past due	15.80%	25,974	4,105	No
More than 60 days past due	100.00%	<u>130,308</u>	<u>130,308</u>	Yes
(see note 17)		<u>271,411</u>	<u>134,413</u>	

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)
27. Financial instruments and financial risk management (continued)
(a) Credit risk (continued)
Expected credit loss assessment (continued)
Trade receivables (continued):

	Company			
	2024			
	<u>Weighted average loss rate</u>	<u>Gross carrying amount</u> \$	<u>Loss allowance</u> \$	<u>Credit impaired</u>
Current (not past due)	0.00%	52,056	-	No
31-60 days past due	0.00%	67,126	-	No
More than 60 days past due	19.13%	<u>277,041</u>	<u>52,992</u>	Yes
(see note 17)		<u>396,223</u>	<u>52,992</u>	
	2023			
	<u>Weighted average loss rate</u>	<u>Gross carrying amount</u> \$	<u>Loss allowance</u> \$	<u>Credit impaired</u>
Current (not past due)	31.98%	67,761	21,674	No
31-60 days past due	100.00%	16,248	16,248	Yes
More than 60 days past due	100.00%	<u>96,152</u>	<u>96,152</u>	Yes
(see note 17)		<u>180,161</u>	<u>134,074</u>	

Cash and cash equivalents and reverse repurchase agreements:

Risks relating to cash and bank balances and reverse repurchase agreements are limited because the counterparties are banks and financial institutions with high credit rating. Accordingly, management does not expect any counterparty to fail to meet its obligations.

Impairment on cash and cash equivalents and reverse repurchased agreements has been measured at 12- month expected loss basis and reflects the short maturities of the exposures. The Group considered that cash and reverse agreements have low credit risk.

Allowance for ECL was not recognised as the computed ECL was considered immaterial at the reporting date.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year Ended December 31, 2024***(Expressed in United States Dollars unless otherwise stated)***27. Financial instruments and financial risk management (continued)****(a) Credit risk (continued)***Expected credit loss assessment (continued)***Related party balances:**

The Group assesses each subsidiary's ability to pay if payment is demanded at the reporting date. Management reviews recovery scenarios considering given economic conditions and the borrowers' liquidity over the expected life of the recoverable. Exposure to credit risk on due from subsidiaries are managed by regular analysis of the ability of counterparties to meet repayment obligations, and by vigorous follow-up of amounts due. The expected credit losses are calculated on this basis.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management requires the Group to maintain sufficient cash and marketable securities, monitor future cash flows and liquidity on a daily basis and have funding available through an adequate amount of committed facilities.

The Group is not subject to any externally imposed liquidity requirements and there has been no change in the Group's approach to managing its liquidity risk during the year.

The following table presents the contractual maturities of financial liabilities, including interest payments, on the basis of their earliest possible contractual maturity.

	Group 2024				
	<u>Carrying value</u>	<u>Contractual cash flows</u>	<u>Within 3 months</u>	<u>3 to 12 months</u>	<u>Over 12 months</u>
Loans payable	33,661,827	52,674,938	934,165	3,767,696	47,973,077
Accounts payable and accrued charges	<u>983,567</u>	<u>983,567</u>	<u>983,567</u>	<u>-</u>	<u>-</u>
	<u>\$34,645,394</u>	<u>53,658,505</u>	<u>1,917,732</u>	<u>3,767,696</u>	<u>47,973,077</u>
	2023				
	<u>Carrying value</u>	<u>Contractual cash flows</u>	<u>Within 3 months</u>	<u>3 to 12 months</u>	<u>Over 12 months</u>
Loans payable	22,205,605	34,476,563	710,000	2,274,118	31,492,445
Accounts payable and accrued charges	<u>739,154</u>	<u>739,154</u>	<u>739,154</u>	<u>-</u>	<u>-</u>
	<u>\$22,944,759</u>	<u>35,215,717</u>	<u>1,449,154</u>	<u>2,274,118</u>	<u>31,492,445</u>

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)
27. Financial instruments and financial risk management (continued)
(b) Liquidity risk (continued)

	Company				
	2024				
	<u>Carrying value</u>	<u>Contractual cash flows</u>	<u>Within 3 months</u>	<u>3 to 12 months</u>	<u>Over 12 months</u>
Loans payable	13,520,767	17,990,807	500,796	2,467,589	15,022,422
Owed to subsidiaries	1,122,719	1,122,719	1,122,719	-	-
Accounts payable and accrued charges	<u>644,317</u>	<u>644,317</u>	<u>644,317</u>	<u>-</u>	<u>-</u>
	<u>\$15,287,803</u>	<u>19,757,843</u>	<u>2,267,832</u>	<u>2,467,589</u>	<u>15,022,422</u>
	2023				
	<u>Carrying value</u>	<u>Contractual cash flows</u>	<u>Within 3 months</u>	<u>3 to 12 months</u>	<u>Over 12 months</u>
Loans payable	8,707,190	12,142,583	439,420	1,290,965	10,412,198
Owed to subsidiaries	27,031	27,031	27,031	-	-
Accounts payable and accrued charges	<u>446,144</u>	<u>446,144</u>	<u>446,144</u>	<u>-</u>	<u>-</u>
	<u>\$9,180,365</u>	<u>12,615,758</u>	<u>912,595</u>	<u>1,290,965</u>	<u>10,412,198</u>

There has been no change in the Group's exposure to liquidity risk or the manner in which it measures and manages risk.

(c) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market.

Such risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices, such as foreign exchange and interest rates. The elements of market risk that affect the Group are as follows:

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The Group is exposed to foreign currency risk on transactions that it undertakes in foreign currencies. The main foreign currency giving rise to this risk is the Jamaican dollar (JMD). The Group ensures that the risk is kept to an acceptable level by matching Jamaican currency assets with Jamaican currency liabilities, to the extent practicable.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

27. Financial instruments and financial risk management (continued)

(c) Market risk (continued)

(i) Foreign currency risk (continued)

The exposure to foreign currency risk from balance denominated in Jamaica dollar and Great Britain Pounds at the reporting date was as follows:

	Group				
	2024 GBP	2024 JMD	2024 USD	2023 JMD	2023 USD
Foreign currency assets:					
Cash	21,841	251,148	272,989	119,875	119,875
Receivables	506,710	278,380	278,380	390,448	390,448
Reverse repurchased agreements	-	-	506,710	45,516	45,516
Total financial assets	<u>528,551</u>	<u>529,528</u>	<u>1,058,079</u>	<u>555,839</u>	<u>555,839</u>
Foreign currency liabilities:					
Loans	-	(1,887,559)	(1,887,559)	(2,129,739)	(2,129,739)
Payables and accrued charges	-	(163,601)	(163,601)	(128,426)	(128,426)
Total financial liabilities	<u>-</u>	<u>(2,051,160)</u>	<u>(2,051,160)</u>	<u>(2,258,165)</u>	<u>(2,258,165)</u>
Net foreign currency assets/(liabilities)	<u>\$528,051</u>	<u>(1,521,632)</u>	<u>(993,081)</u>	<u>(1,702,326)</u>	<u>(1,702,326)</u>

	Company				
	2024 GBP	2024 JMD	2024 USD	2023 JMD	2023 USD
Foreign currency assets:					
Cash	17,379	137,133	154,512	60,544	60,544
Receivables	506,710	197,007	703,717	308,557	308,557
Reverse repurchased agreements	-	-	-	-	-
Total financial assets	<u>524,089</u>	<u>334,140</u>	<u>858,229</u>	<u>369,101</u>	<u>369,101</u>
Foreign currency liabilities:					
Loans	-	(1,887,559)	(1,877,559)	(2,125,739)	(2,125,739)
Payables and accrued charges	-	(103,313)	(103,313)	(73,432)	(73,432)
Total financial liabilities	<u>-</u>	<u>(1,990,872)</u>	<u>(1,980,872)</u>	<u>(2,199,171)</u>	<u>(2,199,171)</u>
Net foreign currency assets/(liabilities)	<u>\$524,089</u>	<u>(1,656,732)</u>	<u>(1,222,643)</u>	<u>(1,830,070)</u>	<u>(1,830,070)</u>

Sensitivity to foreign exchange rate movements

A weakening or strengthening of the USD against the currencies indicated above at December 31, would have increased/(decreased) equity and profit by the amounts shown below. This analysis is performed on the same basis as 2023. The strengthening of the USD against the same currencies at December 31 would have had the equal but opposite effect on the amounts shown, on the basis that all other variables remain constant

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024
(Expressed in United States Dollars unless otherwise stated)
27. Financial instruments and financial risk management (continued)
(c) Market risk (continued)
(i) Foreign currency risk (continued)

	The Group				The Company			
	2024		2023		2024		2023	
	Change in currency rate (%)	Effect on profit	Change in currency rate (%)	Effect on profit	Change in currency rate (%)	Effect on profit	Change in currency rate (%)	Effect on profit
USD	4	58,555	4	67,916	4	63,843	4	73,184
GBP	4	(26,021)	4	-	4	(25,801)	4	-

	The Group				The Company			
	2024		2023		2024		2023	
	Change in currency rate (%)	Effect on profit	Change in currency rate (%)	Effect on profit	Change in currency rate (%)	Effect on profit	Change in currency rate (%)	Effect on profit
USD	-1	(15,224)	-1	(16,979)	-1	(16,599)	-1	(14,697)
GBP	-1	6,765	-1	-	-1	6,708	-1	-

The following rates of exchange of JMD applied for the year:

	Average rate		Reporting date spot rate			
	2024	2023	2024		2023	
			Buying	Selling	Buying	Selling
	JMD	JMD	JMD	JMD	JMD	JMD
United States Dollar (US\$)	157.22	154.99	154.79	156.42	153.59	154.95
Great Britain Pounds (GBP)	201.27	-	192.08	194.15	-	-

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate or that cashflows will vary due to changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Group manages this risk by monitoring market interest rates.

Even though there is no formally predetermined gap limits, to the extent judged appropriate, the maturity profile of the Group's financial assets is matched with that of the financial liabilities. Where gaps occur, management expects that its monitoring will, on a timely basis, identify the need to take quick action to close a gap, if it becomes necessary. The Group was not subject to significant interest rate risk, at the reporting date.

Interest-bearing financial assets mainly comprise securities purchased under reverse repurchased agreements, which have been contracted at fixed interest rates for the duration of their terms. Interest-bearing financial liability comprise loans payable.

"The Gateway To Global Real Estate Investing"

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year Ended December 31, 2024***(Expressed in United States Dollars unless otherwise stated)*27. Financial instruments and financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity to interest rate movements

The Group's exposure to interest rate risk arises from its loan payable with RBC Royal Bank, all other loans are at fixed rates of interest. Any reasonable plausible change in interest rate would not have a material impact on profit or loss.

There has been no change in the Groups' exposure to market risk or the manner in which it measures and manages risk.

28. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The fair value of cash and cash equivalents, reverse repurchased agreements, receivables, owed by subsidiary, accounts payable and owed to subsidiary are considered to approximate their carrying values due to their relatively short-term nature.

The carrying value of non-current loan is assumed to approximate fair value, as the terms of the loan reflects normal commercial considerations.

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs have created the following fair value hierarchy:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and those inputs have a significant effect on the instrument valuation. This category includes instruments that are valued based on prices for similar instruments for which significant adjustments or assumptions are made to reflect differences between the instruments.

Kingston Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 2024

(Expressed in United States Dollars unless otherwise stated)

28. Fair value (continued)

Accounting classification and fair values:

The Company's and the Group's investments measured at fair value are classified at Level 3 in the fair value hierarchy. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between levels during the year.

Valuation techniques used in measuring the fair value, as well as the significant unobservable inputs used are disclosed in note 12.

29. Capital management

The Company's capital consists of total equity and long-term loans. The Board's policy is to maintain capital at a level which balances the need for the Group to be financially strong and be able to sustain future development of the business, with the need for dividend payments. The Board of Directors monitors the return on capital, which it defines as profit after tax divided by total stockholders' equity. The Board also seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the security afforded by a sound capital position. The Company is not subject to any externally imposed capital requirements other than the Jamaica Stock Exchange requirement to maintain positive equity.



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Notes





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FORM OF PROXY

I/We _____
of _____
Being a member(s) of **Kingston Properties Limited** hereby appoint _____
or failing him or her _____
of _____
as my/our proxy to vote on my/our behalf at the Annual General Meeting of **Kingston Properties Limited** to be held at **Courtleigh Hotel and Suites, 85 Knutsford Boulevard, Kingston 5 on Wednesday June 11, 2025 10:00 a.m** and at any adjournment thereof.

RESOLUTIONS

FOR AGAINST

1. To receive the Audited Accounts

Resolution 1: "THAT the Audited Accounts for the Year Ended December 31, 2024 along with the reports of Directors and Auditors, circulated with notice convening the meeting, be and are hereby adopted."

133

2. To ratify Interim Dividend

Resolution 2: "THAT the interim dividend of US\$0.000566 per share paid on June 5, 2024, and US\$0.001058 per share paid on December 18, 2024, be and is hereby declared as final for the year ended December 31, 2024".

3. To Elect Directors

a) The Directors retiring by rotation in accordance with Article 107 of the Company's Article of Incorporation are Mr. Peter Reid and Ms. Lisa Gomes who being eligible for re-election offer themselves for re-election.

Resolution 3: "THAT Mr. Peter Reid retiring by rotation, be and is hereby re-elected."

Resolution 4: "THAT Ms. Lisa Gomes retiring by rotation, be and is hereby re-elected."

4. To authorize the Directors to fix the remuneration of the Auditors

Resolution 5: "THAT KPMG having signified their willingness to continue in office as Auditors, the Directors be and are hereby authorized to agree to their remuneration in respect of the period ending with the next Annual General Meeting."

Dated this _____ day of _____ 2025

Signature _____ [J\$100 Stamp]

Signature _____

In the case of a Body corporate, this form should be executed under Seal in accordance with the company's Articles of Association.

To be valid, this proxy must be signed, duly stamped and deposited with the Corporate Secretary of the Company at 7 Stanton Terrace, Kingston 6, not less than 48 hours before the time appointed for holding the meeting. A proxy need not be a member of the Company.



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