

KINGSTON PROPERTIES LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2025



KPMG
Chartered Accountants
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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 55, which comprise the Company’s and Group’s statements of financial position as at December 31, 2025, 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’s and the Group’s as at December 31, 2025, 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.



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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: \$85,179,915 (2024: \$75,724,463) and Company: \$26,422,990 (2024: \$26,762,100).

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 developed an independent expectation of fair value using our assumptions, for comparison with management's fair value estimate.
- 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 challenge 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 25 for further disclosures. 'Investments': Group: \$1,506,946 (2024: \$4,443,626).

The Group uses its judgement in selecting the appropriate valuation techniques to determine fair value of financial instruments.



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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 the applicable financial reporting framework (see notes 12 and 25) to determine if these adequately disclose the key risks discussed in this key audit matter.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
KINGSTON PROPERTIES LIMITED

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 statements and our auditors' report thereon (including Group chairman and CEO statements, quick facts, director's 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.

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.

Those charged with governance are 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.



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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 blue ink. The letters 'KPMG' are written in a cursive, slightly slanted style.

Chartered Accountants
Kingston, Jamaica

February 27, 2026



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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.



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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, 2025*(Expressed in United States Dollars unless otherwise stated)*

	Notes	Group		Company	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating revenues					
Rental income	4	6,047,763	4,717,392	2,273,439	1,778,258
Management fees	5	<u>306,606</u>	<u>126,763</u>	<u>145,665</u>	<u>115,730</u>
Total operating income		6,354,369	4,844,155	2,419,104	1,893,988
Operating expenses	6	<u>(2,290,984)</u>	<u>(2,072,154)</u>	<u>(1,699,126)</u>	<u>(1,470,687)</u>
Results of operating activities before other income/expenses		4,063,385	2,772,001	719,978	423,301
Other income/(expenses):					
Increase in fair value investment property	11(b)(i)	5,194,925	3,047,418	3,165,498	2,064,445
Decrease in fair value of - FVTPL investments	12(d)	<u>(2,936,681)</u>	<u>(14,087)</u>	-	-
Dividend income	15(b)	-	-	-	1,693,095
Gain on disposal of investment property		114,341	1,531,577	-	-
Impairment allowance on financial assets	16	<u>(167,523)</u>	<u>(301,521)</u>	<u>(135,068)</u>	<u>(301,521)</u>
Impairment loss on investment in subsidiary	14	-	-	<u>(1,153,736)</u>	-
Fees and other (expenses)/income	22	<u>(15,310)</u>	<u>(200,071)</u>	<u>12,567</u>	<u>28,294</u>
Operating profit		<u>6,253,137</u>	<u>6,835,317</u>	<u>2,609,239</u>	<u>3,907,614</u>
Finance income	7	168,093	96,918	14,763	110,814
Finance costs	7	<u>(2,276,906)</u>	<u>(1,532,482)</u>	<u>(862,126)</u>	<u>(632,528)</u>
Net finance costs	7	<u>(2,108,813)</u>	<u>(1,435,564)</u>	<u>(847,363)</u>	<u>(521,714)</u>
Profit before income tax		4,144,324	5,399,753	1,761,876	3,385,900
Income tax credit/(charge)	8	<u>17,802</u>	<u>(25,570)</u>	-	-
Profit for the year, being total comprehensive income for the year	9	<u>\$4,162,126</u>	<u>5,374,183</u>	<u>1,761,876</u>	<u>3,385,900</u>
Earnings and diluted earnings per stock unit (USD)	10	<u>\$ 0.0047</u>	<u>0.0061</u>		
Earnings and diluted earnings per stock unit (JMD)	10	<u>\$ 0.7521</u>	<u>0.9509</u>		

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

KINGSTON PROPERTIES LIMITED

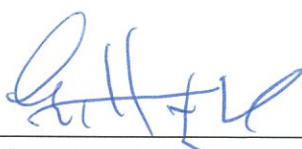
Statements of Financial Position

December 31, 2025

(Expressed in United States Dollars unless otherwise stated)

	Notes	Group		Company	
		2025	2024	2025	2024
NON-CURRENT ASSETS					
Investment property	11	85,179,915	75,724,463	26,422,990	26,762,100
Investments at fair value through profit or loss	12	1,506,946	4,443,626	-	-
Restricted cash	17	433,459	433,459	-	-
Furniture, software and equipment	13	43,982	53,491	43,982	49,699
Investment in subsidiaries	14	-	-	<u>23,419,468</u>	<u>20,907,954</u>
Total non-current assets		<u>87,164,302</u>	<u>80,655,039</u>	<u>49,886,440</u>	<u>47,719,753</u>
CURRENT ASSETS					
Investment property held for sale	11	5,043,825	448,139	5,043,825	-
Receivables	16	1,191,145	865,189	423,883	571,976
Income tax recoverable		34,693	33,556	33,556	33,556
Cash and cash equivalents	17	<u>801,587</u>	<u>4,593,883</u>	<u>452,979</u>	<u>2,171,300</u>
Total current assets		<u>7,071,250</u>	<u>5,940,767</u>	<u>5,954,243</u>	<u>2,776,832</u>
Total assets		<u>\$94,235,552</u>	<u>86,595,806</u>	<u>55,840,683</u>	<u>50,496,585</u>
EQUITY					
Share capital	18	34,903,346	34,903,346	34,903,346	34,903,346
Currency translation reserve	18	(1,488,861)	(1,488,861)	(4,153,262)	(4,153,262)
Retained earnings		<u>22,060,252</u>	<u>18,398,472</u>	<u>5,720,228</u>	<u>4,458,698</u>
Total equity		<u>55,474,737</u>	<u>51,812,957</u>	<u>36,470,312</u>	<u>35,208,782</u>
NON-CURRENT LIABILITIES					
Deferred tax liability	8	-	108,473	-	-
Loans payable	19	<u>34,328,446</u>	<u>30,896,940</u>	<u>15,168,313</u>	<u>11,349,221</u>
Total non-current liabilities		<u>34,328,446</u>	<u>31,005,413</u>	<u>15,168,313</u>	<u>11,349,221</u>
CURRENT LIABILITIES					
Current portion of loans payable	19	2,501,354	2,764,887	1,975,184	2,171,546
Owed to subsidiaries	15	-	-	1,346,660	1,122,719
Accounts payable and accrued charges	20	1,853,039	983,567	880,214	644,317
Income tax payable		<u>77,976</u>	<u>28,982</u>	-	-
Total current liabilities		<u>4,432,369</u>	<u>3,777,436</u>	<u>4,202,058</u>	<u>3,938,582</u>
Total liabilities		<u>38,760,815</u>	<u>34,782,849</u>	<u>19,370,371</u>	<u>15,287,803</u>
Total equity and liabilities		<u>\$94,235,552</u>	<u>86,595,806</u>	<u>55,840,683</u>	<u>50,496,585</u>

The financial statements on pages 8 to 55 were approved for issue by the Board of Directors on February 24, 2026 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 LIMITEDGroup Statement of Changes in Equity
Year ended December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*

	Share <u>capital</u> (note 18)	Currency translation <u>reserve</u>	Retained <u>earnings</u> (note 18)	<u>Total</u>
Balances at December 31, 2023	34,903,346	(1,488,861)	14,459,908	47,874,393
Profit for the year, being total comprehensive income	-	-	5,374,183	5,374,183
Transactions with owners of the Company:				
Dividends declared (note 21)	<u>-</u>	<u>-</u>	(1,435,619)	(1,435,619)
Balances at December 31, 2024	34,903,346	(1,488,861)	18,398,472	51,812,957
Profit for the year, being total comprehensive income	-	-	4,162,126	4,162,126
Transactions with owners of the Company:				
Dividends declared (note 21)	<u>-</u>	<u>-</u>	(500,346)	(500,346)
Balances at December 31, 2025	<u>\$34,903,346</u>	<u>(1,488,861)</u>	<u>22,060,252</u>	<u>55,474,737</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, 2025

(Expressed in United States Dollars unless otherwise stated)

	Share capital (note 18)	Retained earnings	Currency translation reserve (note 18)	Total
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 21)	<u>-</u>	<u>(1,435,619)</u>	<u>-</u>	<u>(1,435,619)</u>
Balances at December 31, 2024	34,903,346	4,458,698	(4,153,262)	35,208,782
Profit for the year, being total comprehensive income	-	1,761,876	-	1,761,876
Transactions with owners of the Company:				
Dividends declared (note 21)	<u>-</u>	<u>(500,346)</u>	<u>-</u>	<u>(500,346)</u>
Balances at December 31, 2025	<u>\$34,903,346</u>	<u>5,720,228</u>	<u>(4,153,262)</u>	<u>36,470,312</u>

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

KINGSTON PROPERTIES LIMITED

Statements of Cash Flows

Year ended December 31, 2025

(Expressed in United States Dollars unless otherwise stated)

	Notes	Group		Company	
		2025	2024	2025	2024
Cash flows from operating activities					
Profit for the year		4,162,126	5,374,183	1,761,876	3,385,900
Adjustments for:					
Income tax charge (credit)/charge	8	(17,802)	25,570	-	-
Depreciation	13	15,100	23,573	15,100	19,575
Exchange gain on foreign currency balances		(4,981)	(17,907)	(2,671)	(16,444)
Interest income	7	(19,902)	(96,918)	(5,037)	(88,257)
Finance costs	7	2,276,906	1,532,482	862,126	632,528
Dividend income	8	-	-	-	(1,693,095)
Increase in fair value of investment property	11(b)(i)	(5,194,925)	(3,047,418)	(3,165,498)	(2,064,445)
Decrease in fair value of investments at FVTPL	12(d)	2,936,681	14,087	-	-
Gain on disposal of investment property		(114,341)	(1,531,577)	-	-
Loss on disposal of furniture and equipment		3,792	30,057	-	-
Impairment loss on investment in subsidiary	14	-	-	1,153,736	-
Impairment loss on financial assets	16	<u>167,523</u>	<u>301,521</u>	<u>135,068</u>	<u>301,521</u>
		4,210,177	2,607,653	754,700	477,283
Changes in:					
Receivables		(493,479)	(341,202)	13,025	(499,761)
Accounts payable and accrued charges		869,472	244,413	235,897	198,173
Owed to subsidiaries		<u>-</u>	<u>-</u>	<u>223,941</u>	<u>1,566,717</u>
Cash provided by/(used in) operating activities		4,586,170	2,510,864	1,227,563	1,742,412
Income tax (paid)/refunded		(42,814)	<u>11,511</u>	<u>-</u>	<u>-</u>
Net cash provided by operating activities		<u>4,543,356</u>	<u>2,522,375</u>	<u>1,227,563</u>	<u>1,742,412</u>
Cash flows from investing activities					
Interest received		27,163	87,191	2,010	85,230
Dividend received		-	-	-	1,693,095
Additions to property and equipment	13	(9,383)	(11,535)	(9,383)	(11,535)
Return of capital from investments at FVTPL	12(d)	-	406,969	-	-
Increase in investment in subsidiary		-	-	(3,665,250)	-
Additions to investment property	11(b)(i)	(10,313,858)	(14,076,750)	(1,539,217)	(6,473,873)
Proceeds of disposal of investment property		<u>1,571,987</u>	<u>4,435,649</u>	<u>-</u>	<u>-</u>
Net cash used in investing activities		<u>(8,724,091)</u>	<u>(9,158,476)</u>	<u>(5,211,840)</u>	<u>(4,707,083)</u>
Cash flows from financing activities					
Interest paid		(2,086,602)	(1,454,712)	(780,047)	(573,207)
Dividends paid		(500,346)	(1,435,619)	(500,346)	(1,435,619)
Loans received	19(v)	5,834,167	26,053,178	5,834,167	5,912,118
Loans repaid	19(v)	(2,865,280)	(14,665,511)	(2,287,818)	(1,148,126)
Restricted cash	17	<u>-</u>	<u>(433,459)</u>	<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u>381,939</u>	<u>8,063,877</u>	<u>2,265,956</u>	<u>2,755,166</u>
Net (decrease)/increase in cash and cash equivalents		(3,798,796)	1,427,776	(1,718,321)	(209,505)
Effects of exchange rate fluctuations on cash and cash equivalents		6,500	(4,183)	-	9,735
Cash and cash equivalents at beginning of year		<u>4,593,883</u>	<u>3,170,290</u>	<u>2,171,300</u>	<u>2,371,070</u>
Cash and cash equivalents at end of year	17	<u>\$ 801,587</u>	<u>4,593,883</u>	<u>452,979</u>	<u>2,171,300</u>

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

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements

December 31, 2025

(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 wholly owned subsidiaries:

- (i) KPREIT (St. Lucia) Limited was incorporated in St. Lucia under the International Business Companies Act in December 2021. 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 a wholly owned subsidiary of KPREIT (Cayman) Limited was 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 manage the assets to generate rental income and fair value gains by managing 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)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations that are not yet effective:

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:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The amendments apply for reporting periods beginning on or after January 1, 2026.

The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognised and derecognised and to provide an exception for certain financial liabilities settled using an electronic payment system. Companies can choose to apply the exception for electronic payments on a system-by-system basis. Given the widespread use of electronic payment systems, determining whether the exception criteria would be met for each one may require significant time and effort. If the derecognition exception criteria are not met, determining the settlement date may also present challenges and companies may be required to change their existing systems and processes.

The exception allows companies to derecognise its financial liabilities before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- (i) no practical ability to withdraw, stop or cancel the payment instruction;
- (ii) no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- (iii) the settlement risk associated with the electronic payment system is insignificant.

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* is effective for annual reporting periods beginning on or after January 1, 2027.

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements of IFRS 19.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.

- Annual Improvements to IFRS Accounting Standards is effective for annual reporting periods beginning on or after January 1, 2026

These amendments, published in a single document *Annual Improvements to IFRS Accounting Standards—Volume 11*, include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

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

- Annual Improvements to IFRS Accounting Standards is effective for annual reporting periods beginning on or after January 1, 2026 (continued)

The amended Standards are, IFRS 1 *First-time Adoption of International Financial Reporting Standards*; IFRS 7 *Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7*; IFRS 9 *Financial Instruments*; IFRS 10 *Consolidated Financial Statements*; and IAS 7 *Statement of Cash Flows*.

- 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.

The Group is assessing the impact that this amendment will have on the financial statements when it becomes 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.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(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 Company'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

Measurement ECL allowance for rent receivable: key assumptions in determining the methodology for incorporating the provision matrix into the measurement of expected credit losses (ECL) [see notes 3(h) and 24(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)].

(2) 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).

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*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 (except for any foreign currency gains or losses) 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.

(b) Investment in subsidiaries

Investments in subsidiaries (note 1) are carried at cost less impairment. At each reporting date, the Company assesses whether there is any indication that an investment may be impaired. If such an indication exists, the Company estimates the investment's recoverable amount, being the higher of its fair value less costs of disposal or its value in use.

An impairment loss is recognised in profit or loss if the carrying amount of an investment exceeds its recoverable amount.

Impairment losses on investments in subsidiaries are reversed only to the extent that the revised recoverable amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods.

(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.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(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).
- (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 currency 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.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(g) Foreign currencies (continued)

(i) (Continued)

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.

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.

- (ii) For foreign operations with a functional currency different from the Company's presentation currency, the results and financial position are translated into the presentation currency as follows: assets and liabilities (including goodwill and fair value adjustments, if any) at the closing rate at the reporting date; income and expenses at exchange rates at the dates of the transactions (or average rates if appropriate); and equity items at historical rates. Exchange differences arising on translation are recognized in other comprehensive income and accumulated in the foreign currency translation reserve.

(h) Impairment

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. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on financial assets has increased significantly if it is more than 30 days past due. For rent receivables, the Group applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision matrix.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(h) Impairment (continued)

Financial assets (continued)

The Group 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 90 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 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.

Life-time ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(h) Impairment (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount when the financial asset is 90 days past due based on historical experience of recoveries of similar assets / individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Group expects no significant recovery from the amount written off.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Based on its experience, there have been no recoveries after write-off.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

For the purpose of impairment testing, assets are grouped into cash-generating units (CGUs) that generate independent cash inflows.

The recoverable amount of an asset or CGU is the higher of:

- value in use, based on estimated future cash flows discounted at a pre-tax discount rate reflecting current market assessments of the time value of money and asset-specific risks; and
- fair value less costs of disposal.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(h) Impairment (continued)

Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

As the Group has no goodwill, Impairment losses are allocated to assets in the CGU on a pro-rata basis. Impairment losses are reversed only to the extent that the asset's revised carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment been recognised previously.

(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

Rent 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. For operating leases, when a lease payment becomes due from the lessee and remains unpaid, the Group recognises a lease receivable for the contractual amount due, measured at amortised cost and subject to expected credit loss provisions in accordance with IFRS 9.

*Classification**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 (SPPI) on the principal amount outstanding, are classified as "Held to collect" and measured at amortised cost. Classification is based on a business model assessment. No asset is measured at fair value through other comprehensive income. Financial assets are generally not reclassified after initial recognition.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(i) Financial instruments (continued)

*Classification (continued)**Financial assets (continued)*

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Held to collect financial assets comprises the following captions:

- Reverse repurchase agreements
- Receivables
- Owed by subsidiaries

*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.

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 profit or loss and other comprehensive income.

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.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(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) 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. Accordingly, no deferred tax is recognised on fair value gains or losses arising on investment properties in jurisdictions where, under the prevailing tax legislation, the disposal of such properties does not give rise to capital gains tax.

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date. 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.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(k) Income tax (continued)

Deferred tax is not recognised for temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

(l) Furniture, software and equipment

(i) Items of office equipment, furniture and computer software 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. Any gain or loss on furniture, software and equipment is recognised in profit or loss.

(ii) Depreciation is recognised in profit or loss on the straight-line basis over the estimated useful life of the asset. The estimated useful lives, residual values and depreciation methods are reviewed at annually, and any changes in estimates are accounted for prospectively. The depreciation rates for furniture, computer software and equipment are as follows:

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

(m) Investment property

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

Investment property is initially recognised at cost, including any directly attributable transaction costs that are necessary to bring the asset into use. 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 and repairs and maintenance. Subsequent to initial recognition, investment property is measured at fair value.

Fair value is estimated every two years by an independent registered valuer, with recent experience in the location and category of the property being valued 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)].

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(m) Investment property (continued)

Investment properties are transferred to non-current assets held for sale when management is committed to a plan to sell the asset in the short term and expects to complete the sale within the next 12 months. When an item is classified as Investment Property held for sale, the Group continues to measure the property at fair value according to IAS 40, until it is derecognised.

Investment properties are derecognised on disposal and the gain or loss on disposal is determined as the difference between the disposal proceeds net of directly attributable transaction costs and the carrying amount of the investment property at the date of derecognition. Any gain or loss arising from a disposal is recognised in profit or loss in the period in which the disposal occurs.

(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.

The Group finances the acquisition and construction of investment properties through a combination of debt and equity. Borrowing costs that are directly attributable to the acquisition or construction of qualifying investment properties are capitalised as part of the cost of the asset.

Where specific borrowings are used to finance the construction of an investment property over a period exceeding six months, the related interest costs are capitalised during the period of construction. Where construction is financed from general borrowings, borrowing costs are capitalised by applying the Group's weighted average cost of debt to the expenditure incurred on the asset during the construction period. Capitalisation of borrowing costs ceases when the asset is substantially complete and available for its intended use, or during periods in which construction activity is significantly interrupted.

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 income from investment property is recognised as operating revenue on a straightline basis over the term of the lease.

The Group provides maintenance service for its commercial office spaces and charges management fees for this service. Fees are calculated based on a fixed percentage of the rental income and are charged monthly. Management fees are recognised over time as the related services are provided.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(p) Fair value gains and losses

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. It is determined by reference to market evidence and, where appropriate, valuation techniques that maximise the use of observable inputs. Fair value gains or losses are measured as the difference between the market price of assets and liabilities and their carrying values.

When one is available, the Group measures the fair value of a financial instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, and in the case of investment property, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

Changes in the fair value of investment property are recognised in profit or loss in accordance with IAS 40.

Changes in the fair value of financial assets measured at FVTPL are recognised in profit or loss in accordance with IFRS 9.

(q) Finance costs and income

Net finance costs comprise interest expense on borrowings calculated using the effective interest method, commitment fees, interest income on funds invested and foreign exchange gains and losses recognised in profit or loss. Interest income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset. The interest expense on loans is recognised in profit or loss using the effective interest method.

(r) Leases

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*3. Material accounting policies (continued)

(r) Leases (continued)

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

4. Rental income

Rental income represents gross revenues from investment properties owned by the Group in Jamaica, Cayman Islands and United Kingdom [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

The total management fees of \$306,606 (2024: \$126,763) includes (i) fees charged by the Company against the Common Area Maintenance Accounts of the investment properties located in Jamaica only of \$145,665 (2024: \$115,730) and (ii) net operating profits earned under a management agreement at Aztec Business Centre, UK amounting to \$162,941 (2024: \$11,033).

6. Operating expenses

	Group		Company	
	2025	2024	2025	2024
Accounting fees	52,703	2,191	-	-
Advertising and promotion	22,458	22,476	22,458	22,476
Audit fees - current year (note 9)	121,983	102,766	62,996	58,068
Audit fees - prior year under accrual (note 9)	-	900	-	-
Bank charges	8,250	7,129	3,243	2,053
Brokers fees	41,741	28,127	5,750	16,384
Depreciation (note 13)	15,100	23,573	15,100	19,575
Directors' fees [note 9 and 16(b)]	95,231	99,990	47,616	49,995
Donations	3,052	10,660	3,052	10,660
Dues and subscriptions	13,587	14,763	13,343	14,529
Property expenses [note 11(e)]	620,300	620,739	393,431	316,324
Regulatory fees and charges	33,960	30,583	33,960	30,583
Salaries and related costs	1,102,881	957,758	968,665	811,125
Contribution and defined contribution plan	49,653	34,935	49,653	34,935
Office expenses	36,453	72,422	35,630	69,924
Other operating expenses	64,568	32,721	36,536	5,792
Utilities	9,064	10,421	7,693	8,264
	<u>\$2,290,984</u>	<u>2,072,154</u>	<u>1,699,126</u>	<u>1,470,687</u>

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*7. Net finance costs

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Finance income:				
Interest income	19,902	96,918	5,037	88,257
Foreign exchange gains	<u>148,191</u>	<u>-</u>	<u>9,726</u>	<u>22,557</u>
Total finance income	<u>168,093</u>	<u>96,918</u>	<u>14,763</u>	<u>110,814</u>
Finance costs:				
Foreign exchange losses	-	(9,471)	-	-
Interest expense	(2,077,820)	(1,454,156)	(785,745)	(582,943)
Commitment fees [note 19(v)]	<u>(199,086)</u>	<u>(68,855)</u>	<u>(76,381)</u>	<u>(49,585)</u>
Total finance costs	<u>(2,276,906)</u>	<u>(1,532,482)</u>	<u>(862,126)</u>	<u>(632,528)</u>
Net finance costs	<u>\$(2,108,813)</u>	<u>(1,435,564)</u>	<u>(847,363)</u>	<u>(521,714)</u>

8. Income tax charge

(a) Taxation comprises:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current income tax charge:				
Income tax at 25%	90,671	25,570	-	-
Deferred income tax expense:				
Temporary differences	<u>(108,473)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total income tax (credit)/ charge	<u>\$(17,802)</u>	<u>25,570</u>	<u>-</u>	<u>-</u>

(b) Reconciliation of actual tax expense:

The tax rate for the Company as well as Jamaica and UK subsidiaries is 25% (2024: 25%) of profit before income tax, adjusted for tax purposes, while the tax rate for the St. Lucia subsidiary is 30% (2024: 30%) of profits, and that for the Florida subsidiary is 21% (2024: 21%).

The actual tax charge for the year is as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Profit before income tax	<u>\$4,144,324</u>	<u>5,399,753</u>	<u>1,761,876</u>	<u>3,385,900</u>
Computed "expected" tax expense at Jamaican tax rate of 25%	1,036,081	1,349,938	440,469	846,475
Effect of different tax rates in foreign jurisdictions	(283,314)	(619,421)	-	-
Fair value gains disallowed	(791,374)	(761,855)	(791,374)	(516,111)
Depreciation and capital allowances	(149,646)	(159,101)	(109,961)	(119,416)
Disallowed expenses/(income), net	14,226	86,182	302,567	(334,671)
Increase in unutilized tax losses	<u>156,225</u>	<u>129,827</u>	<u>158,299</u>	<u>123,723</u>
Actual tax (credit)/charge	<u>\$(17,802)</u>	<u>25,570</u>	<u>-</u>	<u>-</u>
Effective rate of tax %	<u>(0.45)</u>	<u>0.47</u>	<u>-</u>	<u>-</u>

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(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 (2024: \$Nil).

Income tax losses, available for set-off against future taxable profits, amounted to approximately \$2,171,347 for the Company and \$4,055,523 for the Group (2024: \$1,438,657 for the Company and \$1,699,086 for the Group).

The Company did not disclose any deferred tax asset as this was immaterial based on the temporary differences. Deferred tax assets amounting to \$834,730 (2024: nil) have not been recognised in respect of Kingston Properties Miami LLC, as management considers that it is not probable that sufficient taxable profits will be available in the company against which the deferred tax asset can be utilised. The amount of tax losses used by the Group to reduce deferred tax expense during the year was \$90,109 (2024: \$9,061).

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

	<u>Group</u>		
	<u>Balance at December 31, 2024</u>	<u>Recognised in profit or loss</u>	<u>Balance at December 31, 2025</u>
Investments	<u>108,473</u>	<u>(108,473)</u>	<u>-</u>

9. Profit for the year

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

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Auditors' remuneration				
- current year (note 6)	121,983	102,766	62,996	58,068
- prior year (note 6)	-	900	-	-
Key management personnel:				
Short-term employee benefits	536,353	635,979	536,353	635,979
Directors' remuneration fees (note 6)	<u>95,231</u>	<u>99,990</u>	<u>47,616</u>	<u>49,995</u>

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 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.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*10. Earnings per stock unit (continued)

The earnings per stock unit is computed by dividing the profit for the year of \$4,162,126 (2024: \$5,374,183), attributable to the Group's stockholders, by a weighted average number of stock units in issue during the year, determined as follows:

	<u>2025</u>	<u>2024</u>
Ordinary stock units at January 1, being weighted average number of ordinary stock units held during the year	<u>884,000,000</u>	<u>884,000,000</u>
	<u>2025</u>	<u>2024</u>
Earnings and diluted earnings per stock unit (USD)	<u>\$0.0047</u>	<u>0.0061</u>
Earnings and diluted earnings per stock unit (JMD)	<u>\$0.7521</u>	<u>0.9509</u>

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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Red Hills Road Commercial Complex*	6,418,684	6,418,684	6,418,684	6,404,066
Spanish Town Road Commercial Complex*	-	3,398,231	-	3,412,850
East Ashenheim Road*	7,980,000	7,980,000	7,980,000	7,980,000
Grand Harbour Shoppes*	16,192,000	14,886,573	-	-
Grenada Crescent*	8,136,786	8,136,566	-	-
Rosedale Warehouses*	3,299,000	2,575,000	-	-
Harbour Centre*	14,157,295	14,077,311	-	-
Rousseau Road*	2,160,475	692,543	2,160,475	692,542
232A Spanish Town Road*	3,470,000	1,878,811	3,470,000	1,878,811
GumTree*	3,002,842	4,011,183	-	-
East Street and John's Lane Parking Lot*	673,902	673,902	673,902	673,902
6, 8-10 Duke Street*	5,719,929	5,719,929	5,719,929	5,719,929
2350 Aztec West	5,274,564	5,275,730	-	-
Dorking Office	4,642,994	-	-	-
Lakeview East, Dartford	<u>4,051,444</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$85,179,915</u>	<u>75,724,463</u>	<u>26,422,990</u>	<u>26,762,100</u>

*See note 19 (iv)

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*11. Investment property (continued)

(b) (i) Reconciliation of carrying amount:

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

	Group		Company	
	2025	2024	2025	2024
Balance as at beginning of year	75,724,463	59,178,916	26,762,100	18,223,782
Additions during the year	10,313,858	14,076,750	1,539,217	6,473,873
Disposals during the year	(1,009,506)	(2,904,072)	-	-
Transfer from deposit on property	-	2,773,590	-	-
Transfers (to)/from held-for-sale [see note 11(f)]	(5,043,825)	(448,139)	(5,043,825)	-
Fair value gains	<u>5,194,925</u>	<u>3,047,418</u>	<u>3,165,498</u>	<u>2,064,445</u>
Balance at end of year	<u>\$85,179,915</u>	<u>75,724,463</u>	<u>26,422,990</u>	<u>26,762,100</u>

Additions include capitalised borrowing cost of \$36,132 (2024: \$Nil)

(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 using discounted cash flow method:</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 • Exit Capitalization (CAP) rates 7.00% - 9.00% • 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). • Discount factor were lower/(or decrease if discount factor were higher). • Gross rental rates were higher (lower); or • Land values were higher/(lower) • Lease terms were longer (shorter)

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025

*(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 using income capitalization method:</i> This approach converts anticipated annual net income into an indication of value. This process is called capitalization, and involves dividing the annual net income 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 7.00% - 9.00% 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> Annual net income was higher/(lower) Capitalization rate was lower/(higher)

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

The sales comparison approach is used for land that is being held for rent or capital appreciation as per IAS 40.

- (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.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*11. Investment property (continued)

(c) (Continued)

- (ii) The 591 Spanish Town Road Commercial Complex and the property located at 232A Spanish Town Road were revalued as at December 31, 2025, by independent valutors, NAI Jamaica: Langford and Brown.
- (iii) The Red Hills Road Commercial Complex and the properties located at East Ashenheim Road and Grenada Crescent were revalued by independent valutors, NAI Jamaica: Langford Brown as at December 31, 2024.
- (iv) The Harbour Centre was revalued by independent valutors, DDL Studio Limited, of the Cayman Islands as at March 7, 2024.
- (v) The Rosedale property and Grand Harbour Shoppes were revalued by independent valutors, DDL Studio Limited, of the Cayman Islands as at December 31, 2025.
- (vi) The properties located at 6 & 8-10 Duke Street and East Street & John's Lane parking lot, and Rousseau Road in Jamaica; Gumtree in Cayman; and 2350 Aztec West, Dorking and Lakeview East in the UK, were all acquired less than 2 years ago at their estimated fair values which are deemed to be the fair values as at December 31, 2025.

(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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Strata fees	62,031	48,401	-	-
Insurance premiums	269,222	265,959	267,972	226,173
Property taxes	15,656	13,265	15,656	13,265
Professional fees	201,462	119,185	87,944	65,259
Repairs and maintenance	24,229	27,484	21,859	11,627
Management fees	<u>47,700</u>	<u>146,445</u>	<u>-</u>	<u>-</u>
	<u>\$620,300</u>	<u>620,739</u>	<u>393,431</u>	<u>316,324</u>

(f) During the year, the Group disposed of the final unit in Tropic Centre and one unit in the Gumtree warehouse complex. The Tropic Centre unit had been classified as an asset held for sale in the prior year. The properties were sold during the period and resulted in a total gain on disposal of \$114,341, representing the excess of net proceeds over their carrying amounts at the date of sale.

During the year, the 591 Spanish Town Road Industrial Complex was reclassified as investment property held for sale following Management's decision to actively market the property. The asset is available for immediate sale, and its disposal is considered highly probable. The property continues to be measured at fair value in accordance with the Group's accounting policy for investment property and is expected to be sold within twelve months of classification as part of the Group's strategy to optimise its portfolio.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*12. Investments at fair value through profit or loss

	<u>Group</u>	
	<u>2025</u>	<u>2024</u>
CGI Fund (a)	-	600,000
Polaris at Camp Creek LLC (b)	1,506,946	2,458,779
Polaris at East Point Partners (c)	-	<u>1,384,847</u>
	<u>\$1,506,946</u>	<u>4,443,626</u>

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 Group's holdings in these Funds is subject to the terms and conditions of the respective Funds' offering documents and are susceptible to market price risk arising from uncertainties about the future values 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.

The Group has not provided any non-contractual support during 2025 and 2024 to these Funds. Also, as at 31 December 2025 and 2024 the Group had no obligation or intention to provide support to these Funds.

- (a) During 2020 the Miami subsidiary invested \$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. The following table shows the valuation techniques and significant unobservable inputs used. There was a fair value loss of \$600,000 recognized during the year (2024: \$400,000) [see note 12(d)]. Further, the Company received no dividend (2024: \$Nil) in respect of this investment.

Valuation technique	Significant unobservable inputs	Range of input	Inter-relationship between key unobservable inputs and fair value measurement
Investment approach: The valuation model examines the price an investor would be prepared to pay for the right to receive a certain income stream. The model considers the present value of net equity 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.	<ul style="list-style-type: none"> • Overall capitalization rate • Discount rate • Terminal capitalisation rate 	<p style="text-align: center;">5.00% - 7.00%</p> <p style="text-align: center;">7.25% - 8.25%</p> <p style="text-align: center;">5.75% - 6.75%</p>	<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

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025

*(Expressed in United States Dollars unless otherwise stated)*12. Investments at fair value through profit or loss (continued)

(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)(i)(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 \$951,834 was recognized during the year (2024: gain of \$614,120), 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 income 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 Market rental rates Expense ratio Occupancy rate Sale price 	<p>6.25%</p> <p>\$1,284 per unit</p> <p>44.32%</p> <p>95%</p> <p>\$147,285 per unit</p>	<ul style="list-style-type: none"> Reduction in the capitalization rates and expense ratio will increase the investment values Increase in the market rental rate, occupancy rate and sale price per unit will increase the investment value
<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 price of similar properties 	<p>\$147,000 to \$168,000 per unit</p>	<p>The estimated fair value would increase/(decrease) if:</p> <p>Sales prices of similar properties were higher/(lower)</p>

During the year the Company received no dividend distribution (2024: \$Nil) [see 12(d)] from the investment. The Company received a partial return of invested capital during the year of \$Nil, (2024: \$406,970) 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 \$1,384,847 was recognized during the year (2024: \$228,207), see 12(d). The carrying value of the investment at December 31, 2025 is Nil.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025

*(Expressed in United States Dollars unless otherwise stated)*12. Investments at fair value through profit or loss (continued)(c) Subscription fund units (continued)

Valuation technique	Significant unobservable inputs	Range of input	Inter-relationship between key unobservable inputs and fair value measurement
<p><i>Investment approach:</i></p> <p>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 equity 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"> • Overall capitalization rate • Discount rate • Term • Terminal capitalisation rate • Growth rate 	<p>5.61%</p> <p>8.68% -14.59%</p> <p>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

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

	<u>Group</u>	
	<u>2025</u>	<u>2024</u>
Balance at January 1	4,443,626	4,864,683
Capital distribution [see (b)]	-	(406,970)
Net fair value movement during the year [see 14(iv)]:		
CGI funds [see (a)]	(600,000)	(400,000)
Polaris [see (b)]	(951,834)	614,120
Polaris East [see (c)]	(1,384,847)	(228,207)
	(2,936,681)	(14,087)
Balance at December 31	<u>\$1,506,945</u>	<u>4,443,626</u>

The Group recognised fair value losses during the year on certain underlying investments:

- A fair value loss of \$1,384,847 was recognised on the Polaris at East Point investment following the loss of the underlying security in a foreclosure event.
- A fair value loss of \$600,000 was recognised in respect of the CGI Fund I investment, which lost substantially all its assets to foreclosure, with only the Nexus portfolio realised during the year.
- A fair value loss of \$951,834 was recognised on the subsidiary's remaining principal investment, Polaris at Camp Creek. Considering recent operating performance and prevailing market conditions, management determined that the recoverable amount of the asset, based on expected proceeds in a short marketing period, was lower than the carrying value.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*13. Furniture, software and equipment

	<u>Group</u>			<u>Company</u>		
	<u>Office furniture & equipment</u>	<u>Computer software</u>	<u>Total</u>	<u>Office furniture & equipment</u>	<u>Computer software</u>	<u>Total</u>
Cost						
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	150,370	22,337	172,707	142,056	19,137	161,193
Additions	9,383	-	9,383	9,383	-	9,383
Disposals	(8,149)	-	(8,149)	-	-	-
December 31, 2025	<u>151,604</u>	<u>22,337</u>	<u>173,941</u>	<u>151,439</u>	<u>19,137</u>	<u>170,576</u>
Depreciation						
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	97,100	22,116	119,216	92,578	18,916	111,494
Charge for year	15,019	81	15,100	15,019	81	15,100
Eliminated on disposals	(4,357)	-	(4,357)	-	-	-
December 31, 2025	<u>107,762</u>	<u>22,197</u>	<u>129,959</u>	<u>107,597</u>	<u>18,997</u>	<u>126,594</u>
Net book value						
December 31, 2025	<u>\$43,842</u>	<u>140</u>	<u>43,982</u>	<u>43,842</u>	<u>140</u>	<u>43,982</u>
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>

14. Investment in subsidiaries

	<u>Company</u>	
	<u>2025</u>	<u>2024</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>17,854,077</u>	<u>14,188,827</u>
Less impairment loss [see (iv) below]	(1,153,736)	-
	<u>\$23,419,468</u>	<u>20,907,954</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 \$3,665,250 to invested capital. The purpose of these amounts was to invest in long-term assets. During the prior 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)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*14. Investment in subsidiaries (continued)

- (iv) During the year, as a result of the issues discussed in relation to valuation of the underlying investments held by the subsidiary, Kingston Properties Miami LLC (note 12), the Company performed an impairment assessment in accordance with IAS 36 – *Impairment of Assets*, as applied to investments in subsidiaries accounted for at cost in the Company’s separate financial statements (IAS 27).

In accordance with IAS 36, the recoverable amount was determined as the higher of fair value less costs of disposal and value in use. Management assessed that fair value less costs of disposal represented the most appropriate measure of recoverable amount at the reporting date, given the nature of the underlying assets and the assumption of a relatively short marketing period. The fair value was supported by recent market transactions, unobservable inputs and updated valuations at the subsidiary level.

Management considered whether a value-in-use calculation would provide a higher recoverable amount. However, such a model would require assumptions regarding stabilised occupancy levels, future rental growth and long-term operating performance that are not reflective of current market conditions. In the circumstances, management concluded that fair value less costs of disposal appropriately reflected the recoverable amount at the reporting date. See fair value disclosure at note 12.

Based on this assessment, management determined that the carrying amount of the Company’s investment exceeded its recoverable amount and recognised an impairment loss accordingly. This impairment has no impact on the Group’s consolidated financial statements, as the investment in the subsidiary is eliminated on consolidation in accordance with IFRS 10 – *Consolidated Financial Statements*.

Investment in Kingston Properties Miami LLC for the year was as follows:

Carrying amount, January 1	3,102,983
Less: Recoverable amount	(1,949,247)
Impairment loss recognised as at December 31	<u>\$1,153,736</u>

15. 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>	
Owed to subsidiaries:		
KP (Reit) Jamaica Limited (i)	636,550	236,540
Kingston Properties Miami LLC (ii)	463,484	467,840
KPREIT (Cayman) Limited (iii)	<u>246,626</u>	<u>418,339</u>
	<u>\$1,346,660</u>	<u>1,122,719</u>

- (i) This represents rental income collected by the Company on behalf of KP (Reit) Jamaica Limited, net of reimbursable expenses.
- (ii) This represents amounts advanced by Kingston Properties Miami LLC to the Company for operating expenses.
- (iii) This represents short-term cash advances to the Company by KPREIT (Cayman) Limited for operating expenses.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*15. Related party transactions (continued)

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

	Group		Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
Legal fees and other expenses (See note below)	5,011	92,492	4,297	66,350
Directors' fees (note 6)	95,262	99,990	47,616	49,995
Dividend income	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,693,095</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. The balances may be settled by cash from operations or disposal of assets.

16. Receivables

	Group		Company	
	2025	2024	2025	2024
Rent receivable	383,565	535,640	19,910	396,223
Impairment loss allowance [note 24(a)]	<u>(3,331)</u>	<u>(53,331)</u>	<u>(2,992)</u>	<u>(52,992)</u>
Net rent receivable	380,234	482,309	16,918	343,231
Withholding tax recoverable	68,111	68,331	67,276	67,170
Security deposits	11,476	2,067	11,476	1,161
Prepayments	144,961	38,299	111,653	7,330
Other receivables (i)	<u>586,363</u>	<u>274,183</u>	<u>216,560</u>	<u>153,084</u>
	<u>\$1,191,145</u>	<u>865,189</u>	<u>423,883</u>	<u>571,976</u>

- (i) Other receivables comprise of reimbursable property expenses recoverable from Common Area Maintenance accounts, refundable deposit, interest receivables and staff advances. Allowance for ECL was not recognised as the computed ECL was considered immaterial at the reporting date.

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

	Group		Company	
	2025	2024	2025	2024
Balance at January 1	53,331	134,413	52,992	134,074
Write offs	(217,523)	(382,603)	(185,068)	(382,603)
Net remeasurement of allowance for ECL	<u>167,523</u>	<u>301,521</u>	<u>135,068</u>	<u>301,521</u>
Balance at December 31	<u>\$ 3,331</u>	<u>53,331</u>	<u>2,992</u>	<u>52,992</u>

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*17. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current accounts	1,232,591	1,801,800	450,524	545,737
Reverse repurchase agreements (a)	<u>2,455</u>	<u>3,225,542</u>	<u>2,455</u>	<u>1,625,563</u>
	1,235,046	5,027,342	452,979	2,171,300
Less: Restricted cash (b)	<u>(433,459)</u>	<u>(433,459)</u>	<u>-</u>	<u>-</u>
	<u>\$ 801,587</u>	<u>4,593,883</u>	<u>452,979</u>	<u>2,171,300</u>

- (a) As at December 31, 2025 and 2024 the fair value of the underlying reverse repurchase agreements approximated the carrying values. These are short term investments with maturity periods of 1 to 3 months and earn fixed interest between 4% to 6% per annum.
- (b) Restricted cash represents funds being held in reserve under conditions of the loan agreements with CIBC Caribbean Bank (Cayman) Limited (note 19). The funds earn fixed interest of 2.75% per annum.

18. Share capital and reserves

(a) Share capital

Authorised capital:

2,000,000,000 (2024: 2,000,000,000) ordinary stock units of no-par value.

	<u>2025</u>	<u>2024</u>
Issued and fully paid:		
884,000,000 (2024: 884,000,000)	<u>\$34,903,346</u>	<u>34,903,346</u>

Holder 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 and rank equally with regard to the Company's residual assets.

(b) Currency translation reserve

The Group and the Company changed its functional currency effective from December 31, 2019. This represents exchange differences based on the transition.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*19. Loans payable

	Number of years	Interest rate (%)	Group		Company	
			2025	2024	2025	2024
FirstCaribbean International Bank (Jamaica) Limited (FCIB) J\$371m	7	5.75	-	1,868,413	-	1,868,413
FirstCaribbean International Bank (Jamaica) Limited (FCIB) US\$3m	7	5.75	-	2,210,020	-	2,210,020
FirstCaribbean International Bank (Jamaica) Limited (FCIB) US\$4.615m	7	5.75	-	3,680,075	-	3,680,075
FirstCaribbean International Bank (Jamaica) Limited (FCIB) US\$5m	7	5.75	-	4,812,115	-	4,812,115
CIBC Caribbean Bank (Jamaica) Limited consolidated loan US\$11m (i)(b)	7	6.00	11,315,142	-	11,315,142	-
CIBC Caribbean Bank (Jamaica) Limited US\$1m (i)(c)	1	5.50	994,188	950,144	994,188	950,144
CIBC Caribbean Bank (Jamaica) Limited US\$3.56m (d)	12	5.75	1,168,917	-	1,168,917	-
CIBC Caribbean Bank (Jamaica) Limited US\$5.85m (e)	7	5.75	<u>3,665,250</u>	<u>-</u>	<u>3,665,250</u>	<u>-</u>
Total CIBC Caribbean Bank (Jamaica) Limited (i)			<u>17,143,497</u>	<u>13,520,767</u>	<u>17,143,497</u>	<u>13,520,767</u>
CIBC Caribbean Bank (Cayman) Limited US\$21m (ii)	7	5.50	<u>19,686,303</u>	<u>20,141,060</u>	<u>-</u>	<u>-</u>
Total loans at the end of the year			36,829,800	33,661,827	17,143,497	13,520,767
Less current portion			<u>(2,501,354)</u>	<u>(2,764,887)</u>	<u>(1,975,184)</u>	<u>(2,171,546)</u>
Non-current portion			<u>\$34,328,446</u>	<u>30,896,940</u>	<u>15,168,313</u>	<u>11,349,221</u>

- (i) (a) The FCIB loans were payable by Kingston Properties Limited and had a fixed interest rate for 2 years and variable rates thereafter. The loans were used to acquire investment properties in Jamaica as well as property renovations and are secured by legal mortgages over the properties.
- (b) On December 30, 2025, CIBC Caribbean Bank (Jamaica) Limited (“the Bank”) consolidated all the FCIB loans and extended the maturity period of the consolidated facility to December 30, 2032. The facility is amortized over 120 months with bullet payment on maturity. The loans are at fixed rate of interest for 1 year and variable thereafter at 6-month Secured Overnight Financing Rate (SOFR) + 2.75%, subject to SOFR floor of 2.5%.
- (c) This is a 13-month facility used to fund the Company’s UK subsidiary. The loan is at a fixed rate and repayable March 25, 2026.
- (d) This facility is for \$3.56m and is being used to fund construction of the Rousseau Road warehouse complex. The loan is being disbursed based on the completion stages and is serviced on interest only basis until the construction is completed. Interest is charged at a fixed rate for 18 months and thereafter at 6-month SOFR + 2% with a SOFR floor of 3.5%.
- (e) The facility totals \$5.85 million for asset acquisitions, of which \$3.66 million had been disbursed as at the reporting date to fund the acquisition of Lakeview East in the United Kingdom. The loan is repayable by the Company over 84 instalments, with a 12-month moratorium on principal; interest is charged at a fixed rate for the first two years and thereafter at a variable rate 6-month term SOFR + 2.75% with SOFR floor of 2.5%.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*19. Loans payable (continued)

(i) (Continued)

(e) (Continued)

These loans are repayable by the Company and are secured by first mortgage over the properties located in Jamaica at 36-38 Red Hills Road, 52-60 Grenada Crescent, 591 Spanish Town Road, 232A Spanish Town Road, 6 & 8-1 Duke Street with parking lot at East Street and Johns Lane, and 11 Rousseau Road.

(ii) The loan is repayable by KPREIT (Cayman) Limited at a fixed interest rate for 2 years and variable rate thereafter. The loan was used to repay facilities previously held with RBC bank in Cayman and to acquire commercial properties in the United Kingdom through its subsidiary KPRE (UK) Limited. The loan is secured by a debenture over the properties of KPREIT (Cayman) Limited located at Harbour Centre, Rosedale, Grand Harbour and Gumtree 5.

(iii) Transaction costs amounting to \$1,045,316 (2024: \$1,150,253) were deducted from the related loan balances and are being amortised over the lives of the loans using the effective interest method.

(iv) Negative covenants and financial covenants have been issued by the lending institutions with respect to the loan facilities. As at December 31, 2025 the Group was not in breach of any of the loan covenants. These relate to all properties except for the United Kingdom properties [see note 11(a)]. Negative covenants include restriction of debt, restrictions of liens, no changes of ownership/control, restriction of distributions/loans, no change of business and organisation, no disposition of property and assets, most favoured nations clause and cross default clause.

Financial covenants states that the Group and Company should ensure that the debt service ratio on a rolling 12 month basis is not at any time less than 1:25, debt equity ratio does not exceed 4.0, interest coverage ratio is not less than 1.5 and loan to value is not at any time exceed 65%.

(v) Reconciliation of movements of liabilities to cashflow arising from financing activities:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Balance at January 1	33,661,827	22,205,605	13,520,767	8,707,190
Cash flows - proceeds	5,834,167	26,053,178	5,834,167	5,912,118
Cashflows - repaid	(2,865,280)	(14,665,511)	(2,287,818)	(1,148,126)
Commitment fees (note 7)	<u>199,086</u>	<u>68,555</u>	<u>76,381</u>	<u>49,585</u>
Balance at December 31	<u>\$36,829,800</u>	<u>33,661,827</u>	<u>17,143,497</u>	<u>13,520,767</u>

20. Accounts payable and accrued charges

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Accounts payable	222,199	145,484	108,139	58,351
Accounting and audit fees	145,951	82,769	62,985	46,093
Withholding tax - dividends	155,926	176,198	155,926	176,198
Other payables and accrued charges	478,358	259,307	359,537	161,501
Tenant deposits and prepaid rents	<u>850,605</u>	<u>319,809</u>	<u>193,627</u>	<u>202,174</u>
	<u>\$1,853,039</u>	<u>983,567</u>	<u>880,214</u>	<u>644,317</u>

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025

*(Expressed in United States Dollars unless otherwise stated)*21. Dividends

The Company paid a dividend of \$0.000566 (2024: \$0.000566) per share unit on August 25, 2025, as the first interim dividend for 2025 and a second interim dividend of \$Nil (2024: \$0.001058) per unit.

22. Other (expenses)/income

This consists of one-off landlord costs incurred due to vacancies at some properties, net of insurance proceeds.

23. Segment reporting

The Group has four operating segments, which manage investment properties on a geographic portfolio basis. For the purposes of IFRS 8, the Board of Directors is the Chief Operating Decision Maker and reviews internal management reports on a bi-monthly basis to assess performance and allocate resources. Segment performance is measured based on segment profit before income tax, as presented in the internal management reports reviewed by the Board. Segment information is used to evaluate performance because management believes it is the most relevant basis for assessing the results of each segment and comparing them with other entities operating in similar industries. Information regarding the reportable segments is as follows:

	2025					
	<u>Jamaica</u>	<u>United States</u>	<u>Cayman</u>	<u>United</u>	<u>Elimination</u>	<u>Group</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
External revenue	2,872,810	-	2,504,141	670,812	-	6,047,763
Management fee	145,665	-	197,744	160,941	(197,744)	306,606
Operating expenses	(1,846,466)	(80,178)	(310,606)	(53,734)	-	(2,290,984)
Results of operating activities before other income	1,172,009	(80,178)	2,391,279	778,019	(197,744)	4,063,385
Other income/expenses:						
Fair value gain on revaluation of investment property	<u>3,165,498</u>	<u>-</u>	<u>2,029,427</u>	<u>-</u>	<u>-</u>	<u>5,194,925</u>
	4,337,507	(80,178)	4,420,706	778,019	-	9,258,310
Gain on disposal of investment property	-	-	114,341	-	-	114,341
Loss on revaluation of investment	-	(2,936,681)	-	-	-	(2,936,681)
Fee and other income	12,568	9,045	(36,923)	(197,828)	197,828	(15,310)
Impairment loss on financial assets	(135,068)	-	(32,455)	-	-	(167,523)
Impairment loss on investment in subsidiary	(1,153,736)	-	-	-	1,153,736	-
Interest income	5,578	-	508,265	2,011	(495,952)	19,902
Interest expense and commitment fees	(999,741)	-	(1,277,165)	(495,952)	495,952	(2,276,906)
Net loss on translation of foreign currency balances	<u>9,352</u>	<u>-</u>	<u>140,242</u>	<u>(1,403)</u>	<u>-</u>	<u>148,191</u>
Profit before tax	2,076,460	(3,007,814)	3,837,011	84,847	1,351,564	4,144,324
Income tax charge	(37,001)	<u>108,473</u>	<u>-</u>	<u>(53,670)</u>	<u>-</u>	<u>17,802</u>
Profit after tax	<u>2,039,459</u>	<u>(2,899,341)</u>	<u>3,837,011</u>	<u>31,177</u>	<u>1,351,564</u>	<u>4,162,126</u>
Non-current assets	<u>58,023,227</u>	<u>1,506,946</u>	<u>50,906,956</u>	<u>13,969,001</u>	<u>(37,241,828)</u>	<u>87,164,302</u>
Current assets	<u>6,695,250</u>	<u>10,544</u>	<u>697,435</u>	<u>559,637</u>	<u>(891,616)</u>	<u>7,071,250</u>
Total assets	<u>64,718,477</u>	<u>1,517,490</u>	<u>51,604,391</u>	<u>14,528,638</u>	<u>(38,133,444)</u>	<u>94,235,552</u>
Non-current liabilities	<u>15,168,313</u>	<u>-</u>	<u>19,160,133</u>	<u>13,822,359</u>	<u>(13,822,359)</u>	<u>34,328,446</u>
Current liabilities	<u>4,315,838</u>	<u>3,614,540</u>	<u>764,412</u>	<u>646,407</u>	<u>(4,908,828)</u>	<u>4,432,369</u>
Total liabilities	<u>19,484,151</u>	<u>3,614,540</u>	<u>19,924,545</u>	<u>14,468,766</u>	<u>(18,731,187)</u>	<u>38,760,815</u>
Other segment items:						
Capital expenditure	<u>1,548,600</u>	<u>-</u>	<u>79,984</u>	<u>8,694,437</u>	<u>-</u>	<u>10,323,021</u>
Depreciation	<u>15,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,100</u>

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*23. Segment reporting (continued)

	2024					
	<u>Jamaica</u>	<u>United States</u>	<u>Cayman</u>	<u>United</u>	<u>Elimination</u>	<u>Group</u>
	\$	\$	\$	\$	\$	\$
External revenue	2,336,409	-	2,360,647	20,336	-	4,717,392
Management fee	115,730	-	-	11,033	-	126,763
Operating expenses	<u>(1,646,950)</u>	<u>(20,146)</u>	<u>(402,261)</u>	<u>(2,797)</u>	-	<u>(2,072,154)</u>
Results of operating activities						
before other income	805,189	<u>(20,146)</u>	1,958,386	28,572	-	2,772,001
Other income/expenses:						
Fair value gain on						
revaluation of investment						
property	<u>3,047,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,047,418</u>
	3,852,607	<u>(20,146)</u>	1,958,386	28,572	-	5,819,419
Dividend income	1,693,095	-	-	-	<u>(1,693,095)</u>	-
Gain on disposal of						
investment property	-	-	1,531,577	-	-	1,531,577
Loss on revaluation of						
investment	-	<u>(14,087)</u>	-	-	-	<u>(14,087)</u>
Fee and other income	28,295	-	<u>(228,366)</u>	-	-	<u>(200,071)</u>
Impairment loss on financial						
assets	<u>(301,521)</u>	-	-	-	-	<u>(301,521)</u>
Interest income	90,218	-	6,700	-	-	96,918
Interest expense and						
commitment fees	<u>(771,566)</u>	-	<u>(751,445)</u>	-	-	<u>(1,523,011)</u>
Net loss on translation						
of foreign currency						
balances	<u>24,222</u>	<u>-</u>	<u>(33,693)</u>	<u>-</u>	<u>-</u>	<u>(9,471)</u>
Profit before tax	4,615,350	<u>(34,233)</u>	2,483,159	28,572	<u>(1,693,095)</u>	5,399,753
Income tax charge	<u>(25,570)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,570)</u>
Profit after tax	<u>4,589,780</u>	<u>(34,233)</u>	<u>2,483,159</u>	<u>28,572</u>	<u>(1,693,095)</u>	<u>5,374,183</u>
Non-current assets	<u>55,856,320</u>	<u>4,443,626</u>	<u>35,987,318</u>	<u>5,275,729</u>	<u>(20,907,954)</u>	<u>80,655,039</u>
Current assets	<u>3,210,993</u>	<u>51,576</u>	<u>8,598,335</u>	<u>45,863</u>	<u>(5,966,000)</u>	<u>5,940,767</u>
Total assets	<u>59,067,313</u>	<u>4,495,202</u>	<u>44,585,653</u>	<u>5,321,592</u>	<u>(26,873,954)</u>	<u>86,595,806</u>
Non-current liabilities	<u>11,349,221</u>	<u>108,473</u>	<u>19,547,719</u>	<u>-</u>	<u>-</u>	<u>31,005,413</u>
Current liabilities	<u>4,022,877</u>	<u>3,584,441</u>	<u>860,437</u>	<u>5,292,895</u>	<u>(9,983,214)</u>	<u>3,777,436</u>
Total liabilities	<u>15,372,098</u>	<u>3,692,914</u>	<u>20,408,156</u>	<u>5,292,895</u>	<u>(9,983,214)</u>	<u>34,782,849</u>
Other segment items:						
Capital expenditure	<u>6,485,408</u>	<u>-</u>	<u>5,100,737</u>	<u>5,275,730</u>	<u>-</u>	<u>16,861,875</u>
Depreciation	<u>19,575</u>	<u>-</u>	<u>3,998</u>	<u>-</u>	<u>-</u>	<u>23,573</u>

During the year, revenue from two (2024: two) Jamaica customers of the Group represented approximately \$1,059,665 or 18% (2024: \$900,737 or 19%) of the Group's total revenue. Of the amount during the year, \$425,774 and \$633,891 (2024: \$498,341 and \$402,396, respectively) was attributable to each customer, respectively.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*24. 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. There were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial assets on the statement of financial position.

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 using short-tenor instruments 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 is 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 involves the use of a referral system to do background checks on prospective tenants along with various tools including the presentation of financials, certificates of good standing, and identification of principals involved in the companies. Additionally, management employs several risk mitigating strategies including diversification of tenants, limiting the exposure to individual tenants, holding appropriate level of security deposits commensurate with the tenant risk, and rigorous collection protocol which identifies changes in customer risk at an early stage.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*24. Financial instruments and financial risk management (continued)

(a) Credit risk (continued)

Exposure to credit risks (continued)

- (iii) Reverse repurchase 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.

Expected credit loss assessment

Rent receivables:

The Group uses a provision matrix to measure ECLs of rent receivables. The provision matrix is based on its historical observed default rates over the expected life of the rent 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.

	<u>2025</u>			
	<u>Group</u>			
	<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%	371,108	-	No
31-60 days past due	12.21%	8,239	1,006	No
More than 60 days past due	55.12%	<u>4,218</u>	<u>2,325</u>	Yes
(see note 16)		<u>383,565</u>	<u>3,331</u>	
	<u>2024</u>			
	<u>Group</u>			
	<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 16)		<u>535,640</u>	<u>53,331</u>	

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*24. Financial instruments and financial risk management (continued)

(a) Credit risk (continued)

Expected credit loss assessment (continued)

Rent receivables (continued):

	<u>Company</u>			
	<u>2025</u>			
	<u>Weighted</u> <u>average</u> <u>loss rate</u>	<u>Gross</u> <u>carrying</u> <u>amount</u> \$	<u>Loss</u> <u>allowance</u> \$	<u>Credit</u> <u>impaired</u>
Current (not past due)	0.00%	10,975	-	No
31-60 days past due	14.48%	6,949	1,006	No
More than 60 days past due	100%	<u>1,986</u>	<u>1,986</u>	Yes
(see note 16)		<u>19,910</u>	<u>2,992</u>	

	<u>Company</u>			
	<u>2024</u>			
	<u>Weighted</u> <u>average</u> <u>loss rate</u>	<u>Gross</u> <u>carrying</u> <u>amount</u> \$	<u>Loss</u> <u>allowance</u> \$	<u>Credit</u> <u>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 16)		<u>396,223</u>	<u>52,992</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)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*24. Financial instruments and financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Borrowings represent the principal source of liquidity risk and are concentrated to one primary banking counterparty, CIBC Caribbean Limited. 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. Additionally, liquidity risk is mitigated through active monitoring of debt covenant compliance, ensuring sufficient headroom is always maintained. The Group also maintains a conservative capital structure, targeting prudent debt-to-equity and loan-to-value (LTV) levels to preserve borrowing capacity and reduce refinancing risk. There were no significant concentrations of liquidity risk and the maximum exposure to liquidity risk is represented by the carrying amount of each financial liabilities on the statement of financial position.

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

	<u>Group</u>				
	<u>2025</u>				
	<u>Carrying</u> <u>value</u>	<u>Contractual</u> <u>cash flows</u>	<u>Within 3</u> <u>months</u>	<u>3 to 12</u> <u>months</u>	<u>Over 12</u> <u>months</u>
Loans payable	36,829,800	51,594,505	1,756,496	2,668,367	47,169,642
Accounts payable and accrued charges	<u>1,853,039</u>	<u>1,853,039</u>	<u>1,853,039</u>	-	-
	<u>\$38,682,839</u>	<u>53,447,544</u>	<u>3,609,535</u>	<u>2,668,367</u>	<u>47,169,642</u>
	<u>Group</u>				
	<u>2024</u>				
	<u>Carrying</u> <u>value</u>	<u>Contractual</u> <u>cash flows</u>	<u>Within 3</u> <u>months</u>	<u>3 to 12</u> <u>months</u>	<u>Over 12</u> <u>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>\$34,645,394</u>	<u>53,658,505</u>	<u>1,917,732</u>	<u>3,767,696</u>	<u>47,973,077</u>
	<u>Company</u>				
	<u>2025</u>				
	<u>Carrying</u> <u>value</u>	<u>Contractual</u> <u>cash flows</u>	<u>Within 3</u> <u>months</u>	<u>3 to 12</u> <u>months</u>	<u>Over 12</u> <u>months</u>
Loans payable	17,143,497	18,658,461	1,312,096	1,367,990	15,978,375
Owed to subsidiaries	1,346,660	1,346,660	1,346,660	-	-
Accounts payable and accrued charges	<u>880,214</u>	<u>880,214</u>	<u>880,214</u>	-	-
	<u>\$19,370,371</u>	<u>20,885,335</u>	<u>3,538,970</u>	<u>1,367,990</u>	<u>15,978,375</u>

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*24. Financial instruments and financial risk management (continued)

(b) Liquidity risk (continued)

	<u>2024</u>				
	<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>

The Group is not subject to any externally imposed liquidity requirements and 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 individual security or its issuer, or factors affecting all securities traded in the market. There were no significant concentrations of market risk and the maximum exposure to market risk is represented by the carrying amount of each financial assets and liabilities on the statement of financial position.

Such risks arise from open positions in interest rates, 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)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*24. 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					
	<u>2025</u> GBP	<u>2025</u> JMD	<u>2025</u> Total	<u>2024</u> GBP	<u>2024</u> JMD	<u>2024</u> Total
Foreign currency assets:						
Cash	70,644	243,684	314,328	21,841	251,148	272,989
Receivables	-	318,945	318,945	506,710	278,380	278,380
Reverse repurchased agreements	<u>2,455</u>	<u>-</u>	<u>2,455</u>	<u>-</u>	<u>-</u>	<u>506,710</u>
Total financial assets	<u>73,099</u>	<u>562,629</u>	<u>635,728</u>	<u>528,551</u>	<u>529,528</u>	<u>1,058,079</u>
Foreign currency liabilities:						
Loans	-	(1,674,623)	(1,674,623)	-	(1,887,559)	(1,887,559)
Payables and accrued charges	<u>-</u>	<u>(381,435)</u>	<u>(381,435)</u>	<u>-</u>	<u>(163,601)</u>	<u>(163,601)</u>
Total financial liabilities	<u>-</u>	<u>(2,056,058)</u>	<u>(2,056,058)</u>	<u>-</u>	<u>(2,051,160)</u>	<u>(2,051,160)</u>
Net foreign currency assets/(liabilities)	<u>\$73,099</u>	<u>(1,493,429)</u>	<u>(1,420,330)</u>	<u>528,051</u>	<u>(1,521,632)</u>	<u>(993,081)</u>

	Company					
	<u>2025</u> GBP	<u>2025</u> JMD	<u>2025</u> Total	<u>2024</u> GBP	<u>2024</u> JMD	<u>2024</u> Total
Foreign currency assets:						
Cash	735	178,797	179,532	17,379	137,133	154,512
Receivables	-	306,270	306,270	506,710	197,007	703,717
Reverse repurchased agreements	<u>2,455</u>	<u>-</u>	<u>2,455</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financial assets	<u>3,190</u>	<u>485,067</u>	<u>488,257</u>	<u>524,089</u>	<u>334,140</u>	<u>858,229</u>
Foreign currency liabilities:						
Loans	-	(1,674,623)	(1,674,623)	-	(1,887,559)	(1,887,559)
Payables and accrued charges	<u>-</u>	<u>(324,349)</u>	<u>(324,349)</u>	<u>-</u>	<u>(103,313)</u>	<u>(103,313)</u>
Total financial liabilities	<u>-</u>	<u>(1,998,972)</u>	<u>(1,998,972)</u>	<u>-</u>	<u>(1,990,872)</u>	<u>(1,990,872)</u>
Net foreign currency assets/(liabilities)	<u>\$ 3,190</u>	<u>(1,513,905)</u>	<u>(1,510,715)</u>	<u>524,089</u>	<u>(1,656,732)</u>	<u>(1,132,643)</u>

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*24. Financial instruments and financial risk management (continued)

(c) Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity to foreign exchange rate movements

A weakening or strengthening of the USD against the currencies indicated above at December 31, would have affected profit by the amounts in the table. 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.

	The Group				The Company			
	2025		2024		2025		2024	
	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
JMD	1.5	23,382	4	58,555	1.5	23,685	4	63,843
GBP	1.5	<u>(1,456)</u>	4	<u>(26,021)</u>	1.5	<u>(64)</u>	4	<u>(25,801)</u>

	The Group				The Company			
	2025		2024		2025		2024	
	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
JMD	-1	(15,822)	-1	(15,224)	-1	(16,027)	-1	(16,599)
GBP	-1	<u>985</u>	-1	<u>6,765</u>	-1	<u>43</u>	-1	<u>6,708</u>

The following rates of exchange applied for US\$1 applied for the year:

	Average rate		Reporting date spot rate			
	2025	2024	2025		2024	
			Buying	Selling	Buying	Selling
Jamaica Dollar (J\$)	159.83	157.22	158.11	159.74	154.79	156.42
Great Britain Pounds (GBP)	<u>0.76</u>	<u>0.79</u>	<u>0.73</u>	<u>0.74</u>	<u>0.79</u>	<u>0.81</u>

(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.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*24. 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 CIBC Caribbean Bank. All of the Group's debt at reporting date are at fixed rates for at least the next 12 months therefore any reasonable 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.

Investments held at FVTPL:

The Group holds investments at fair value through profit or loss of \$1,506,946 (2024: \$4,443,626), concentrated in three unquoted investment funds (CGI Fund, Polaris at Camp Creek LLC, and Polaris at East Point Partners). These instruments expose the Group to valuation and performance risk of the underlying security in addition to counterparty/manager risk. Performance risk includes exposure to financing risk, given that the underlying properties are funded with approximately 85% debt, requiring the Funds to maintain adequate debt service capacity. The maximum exposure to loss from these investments amounts to \$1,506,946 (2024: \$4,443,626), which would arise if the net proceeds realised from the underlying security are insufficient to satisfy the associated debt obligations and return capital to equity investors. Exposure to these risks is managed by regular analysis of the Funds' performance and prudent assessment of the assets carrying values.

25. Fair value

The Group has an established control framework with respect to the measurement of fair values. This includes a Real Estate Analysis team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Audit Committee.

The Real Estate Analysis team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the valuation team assesses the evidence obtained to support the conclusion that these valuations meet the requirements of the IFRS Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

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, because the instruments bear interest at market-comparable rates and there has been no significant change in the Group's credit risk since initial recognition.

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*25. Fair value (continued)

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.

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 notes 11 and 12.

26. Operating lease arrangements

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Less than one year	5,503,746	5,170,691	2,034,488	1,870,871
One to five years	10,183,418	10,080,058	4,443,027	3,403,927
More than 5 years	<u>755,654</u>	<u>806,596</u>	<u>421,658</u>	<u>397,849</u>
Balance at December 31	<u>\$16,442,818</u>	<u>16,057,345</u>	<u>6,899,173</u>	<u>5,672,647</u>

KINGSTON PROPERTIES LIMITED

Notes to the Financial Statements (Continued)

December 31, 2025*(Expressed in United States Dollars unless otherwise stated)*27. 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.

28. Impact of Hurricane Melissa

On October 28, 2025, Jamaica was impacted by the passage of hurricane Melissa, a Category 5 hurricane, resulting in extensive damages to national infrastructure, housing stock, and disrupting business operations. The impact was more severe in western parishes, where the hurricane made landfall. In accordance with the Disaster Risk Management Act, the Prime Minister of Jamaica declared the island a disaster area effective October 28, 2025.

The Group's properties did not sustain any significant physical damage as a result of the hurricane.

Management will continue to closely monitor developments and remain committed to executing its existing strategies while pursuing new opportunities consistent with the group's risk and return objectives