THE REIT

KINGSTON PROPERTIES LIMITED

INVITATION OPENS: APRIL 19, 2022 AT 9:00 A.M.
INVITATION CLOSES: MAY 10, 2022 AT 2:30 P.M.

PROSPECTUS

The Gateway To Global Real Estate Investing

KINGSTON PROPERTIES LIMITED

THE REIT

A company incorporated under the Companies Act of Jamaica
JSE SYMBOL: KPREIT

Registered Office: **7 Stanton Terrace, Kingston 6**
Corporate Office: **36-38 Red Hills Road, Building B, 1st Floor, Kingston 10**
Telephone #:**876-620-4920** | Website: **www.kpreit.com** | Email: **info@kpreit.com**

INVITATION TO THE PUBLIC FOR SUBSCRIPTION

of **200,000,000** New Ordinary Shares

(with the ability to upsize to a maximum of **300,000,000** New Ordinary Shares)

at a subscription price of **J$7.50** per New Ordinary Share

payable in full on Application raising up to **J$2,250,000,000.00**.

Dated as of April 5, 2022

Registered by the Registrar of Companies on April 6, 2022
Registered by the Financial Services Commission on April 6, 2022

INVITATION OPENS: April 19, 2022 at 9:00 A.M.
INVITATION CLOSES: May 10, 2022 at 2:30 P.M.

A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to section 40(2) of the Companies Act and was so registered on April 5, 2022. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus. The Company has been registered with the Financial Services Commission with respect to the New Ordinary Shares pursuant to section 26 (1) of the Securities Act. A copy of this Prospectus was also delivered to the Financial Services Commission for registration pursuant to section 26 of the Securities Act and was so registered on April 5, 2022. The Financial Services Commission has not approved the New Ordinary Shares for which subscription is invited nor has the Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence under the laws of Jamaica.

ARRANGER AND LEAD BROKER

VM Wealth Management Limited

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This Invitation is being made in Jamaica as a public offering of securities in accordance with the Companies Act and the Securities Act. These securities may be offered to, purchased or otherwise acquired by prospective investors organized or resident in Jamaica without restriction. This Invitation is not being made in any jurisdiction in which the offer to sell these securities to, or a solicitation of an offer to buy these securities from, any person would violate the securities or other relevant laws of such jurisdiction.

The Directors whose names appear in **Section 5** of this Prospectus have seen and approved this Prospectus and accept full responsibility, collectively and individually, for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

CONTACT DETAILS FOR KINGSTON PROPERTIES LIMITED (THE "COMPANY" OR "KPREIT")

WEBSITE	EMAIL	TELEPHONE	ADDRESS
www.kpreit.com	info@kpreit.com	876-620-4920	**Registered Office:** 7 Stanton Terrace, Kingston 6
			Corporate Office: 36-38 Red Hills Road, Building B, 1st Floor, Kingston 10
CONTACT DETAILS FOR VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED, LEAD BROKERS FOR THE INVITATION			
www.vmwealth.vmbs.com	capitalmarkets@myvmgroup.com	876-960-5000-3	Victoria Mutual Building 53 Knutsford Boulevard Kingston 5

DISCLAIMER & ADVISORY ON FORWARD-LOOKING STATEMENTS

DISCLAIMER

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

(a) This Prospectus has been reviewed and approved by the Directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief:

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

(b) By submitting an Application, each Applicant acknowledges and agrees that:

- **(i)** they have received and have been afforded a meaningful opportunity to review all additional information considered by them to be necessary to verify the accuracy of the information contained in this Prospectus;

- **(ii)** they have not relied on the Company, nor any persons affiliated with the Company or the legal or other professional advisors to the Company in connection with their investigation of the accuracy of such information or their investment decision; and

- **(iii)** no person has been authorized to give information or to make any representation concerning the Company or the Invitation comprised in this Prospectus or the securities intended to be issued pursuant thereto or to provide information or to make any representation whatsoever in connection with this Prospectus (other than as contained in this Prospectus and information given by duly authorized officers and employees of the Company in connection with the Applicant's verification of the information contained in this Prospectus) and that, if given or made, such other information or representation should not be relied upon as having been authorized by the Company.

(c) Neither the delivery of this Prospectus nor the offering, sale or allotment of any New Ordinary Shares hereunder shall under any circumstances imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus.

(d) This Prospectus does not constitute a recommendation by the Company that prospective Applicants should submit Applications for New Ordinary Shares. In making an investment decision, persons intending to apply to purchase the New Ordinary Shares are expected to make their own investigation and assessment of the Company and the terms of the Invitation herein, including the merits and risks involved.

(e) No representation or warranty, expressed or implied, is made by the Company or by the legal or professional advisors to the Company as to the accuracy or completeness of the information set forth herein including, without limitation, information with respect to the Company and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by such persons, whether as to the past or future.

(f) This Prospectus contains summaries believed to be accurate with respect to certain terms of certain documents, but where copies of such documents are made available for inspection by potential Applicants in accordance with Section 14 hereof, reference should be made to the actual documents (upon request made to the Company) for complete information with respect thereto, and all such summaries are qualified in their entirety by such complete information. Prospective Applicants are not entitled to rely on parts of information contained in this Prospectus to the exclusion of other parts of this Prospectus.

(g) Each Applicant should consult with its own advisors as to the legal, tax, business, financial and related aspects of subscribing for the New Ordinary Shares in this Invitation. Notwithstanding the inclusion in this Prospectus of such information in respect thereof as the Directors believe to be accurate, neither the Company nor its legal or other professional advisors, or any of their respective representatives, is making any representation or providing any advice to any Applicant or any other person regarding legal, tax, business, financial and related aspects of any person's subscription for the New Ordinary Shares in this Invitation.

(h) This Prospectus is intended to be used in Jamaica only, and is not to be construed as making an Invitation to persons outside of Jamaica to subscribe for any of the New Ordinary Shares. The distribution of this Prospectus and the offering of the New Ordinary Shares in certain jurisdictions is restricted by law. The Company requires that Applicants and anyone who receives this Prospectus inform themselves about and observe such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, any offer to, or solicitation by, anyone in any jurisdiction in which, or to or by any person whom, such offer or solicitation would be unlawful.

ADVISORY ON FORWARD LOOKING STATEMENTS

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

(b) Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”. When used in this Prospectus, such words and similar expressions, as they relate to the Company and its business, or actual or intended business relationships, are intended to identify those forward-looking statements. By their very nature, forward-looking statements require the maker thereof to make assumptions and are subject to numerous inherent risks and uncertainties, which give rise to the possibility that (i) such predictions, forecasts, projections, expectations or conclusions as contained in such statements will not prove to be accurate, (ii) that these assumptions may not be correct and (iii) that these forward-looking statements will not be achieved.

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

i. economic, social and other conditions in any jurisdiction in which KPREIT may invest, including actual rates of economic growth in such economies, local, regional or global instability, interest rate or exchange rate volatility;

ii. adverse climatic events, natural disasters, the outbreak of a pandemic or the effects of the existing COVID-19 pandemic;

iii. KPREIT’s ability to gain access to capital financing at an acceptable cost, or business opportunities that meet KPREIT’s investment criteria;

iv. changes in regulatory and/or tax policy in one or more of the jurisdictions in which KPREIT operates which adversely affect KPREIT’s business model thereby having an impact on revenues or expenses of the Company;

v. any other factor negatively impacting on the realisation of the assumptions on which KPREIT's financial projections are based,

vi. other factors identified in this Prospectus and

vii. other factors not yet known to KPREIT.

(d) The foregoing list of risk factors is not exhaustive and other factors not set out above could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, Applicants and others should carefully consider the foregoing factors and other uncertainties and potential events, including the Risk Factors specifically set out in **Sections 9 and 10.**

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

THE REIT

KINGSTON PROPERTIES LIMITED

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SUMMARY OF THE INVITATION

The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus, including the Appendices. You are advised to read this entire Prospectus carefully before making an investment decision about the Invitation. Your specific attention is drawn to the Risk Factors in Sections 9 and 10 of this Prospectus and the Disclaimer and Note on Forward-Looking Statements contained in the beginning of this Prospectus. You should consult your stockbroker, licensed investment advisor, attorney-at-law, accountant or other professional advisor if you have any questions arising out of this Prospectus or if you require any explanation. Applications for the Invitation can also be made on Victoria Mutual Wealth Management Limited's Wealth IPO Edge Portal by logging onto the website https://wealthipo.vmbs.com (See Appendix 5 – Wealth IPO Edge Portal Procedures), or by any other approved online application portal used by an appointed selling agent for the Invitation and following the instructions to the Applicants set out there. Each Application must be accompanied/supported by payment for the full amount payable on purchase and/or subscription.

ISSUER:	**KINGSTON PROPERTIES LIMITED ("KPREIT" or the "Company")** **Registered Office:** 7 Stanton Terrace, Kingston 6 Corporate Office: 36-38 Red Hills Road, Building B, 1st Floor, Kingston 10 Telephone No.: 876-620-4920 Email: **info@kpreit.com** Website: **http://www.kpreit.com**
ARRANGER AND LEAD BROKER:	**VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED ("VMWM")** **Corporate Office:** 6th Floor, 53 Knutsford Boulevard, Kingston 5, Jamaica Telephone No.: 876-960-5000 | Cel No.: 876-322-9955 Contact: Dwight Jackson dwight.jackson@myvmgroup.com Email: **capitalmarkets@myvmgroup.com** Website: **https://vmwealth.vmbs.com/**
SIZE OF ISSUE:	200,000,000 New Ordinary Shares, provided that: **(1)** the number of New Ordinary Shares available for subscription in the Invitation may be increased in the sole discretion of the Directors by a maximum of 100,000,000 New Ordinary Shares, for a maximum total offering size of 300,000,000 New Ordinary Shares (the "Upsize Cap").

	(2) if the Company receives Applications for New Ordinary Shares in excess of the Upsize Cap, the Company may (but does not undertake to) apply to the FSC for registration of additional New Ordinary Shares in excess of the Upsize Cap in such amount as the Directors in their discretion may determine in consultation with the Arranger. If such additional registration is submitted and obtained, the Company may, but shall not be obliged to, issue and allot additional New Ordinary Shares in an amount not exceeding the limit of such additional registration.
DESCRIPTION OF SECURITIES BEING ISSUED:	New Ordinary Shares in the capital of the Company ranking pari passu in all respects with the Existing Ordinary Shares upon issue. The Company will apply to the JSE to have the New Ordinary Shares that are issued pursuant to the Invitation listed on the Main Market of the JSE. The New Ordinary Shares and the Existing Ordinary Shares will be converted to ordinary stock units in the capital of the Company immediately on issue of the New Ordinary Shares.
SUBSCRIPTION PRICE:	J$7.50 per New Ordinary Share payable in full on Application using an Approved Payment Method.
MINIMUM SUBSCRIPTION AMOUNT/MULTIPLES	Applications must request a minimum of 1,000 New Ordinary Shares. Applications above this amount shall be in multiples of 100 New Ordinary Shares.
BASIS OF ALLOTMENT	The New Ordinary Shares shall be allotted on a "first come, first served" basis provided that in the event of an oversubscription, the Company may (but does not undertake to) in its sole discretion elect to upsize the Invitation as set out in paragraph 16.10 of this Prospectus to enable all Applications to be filled as far as possible. If the Invitation is oversubscribed, whether or not the Company has elected to upsize the Invitation,the Company intends to instead allot the New Ordinary Shares on a pro rata basis across all Applications, having regard to paragraph 16.11 of this Prospectus.
UNDERWRITING	The Invitation will be underwritten by Victoria Mutual Wealth Management Limited to the extent of J$500 million.

EXPECTED TIMETABLE OF THE INVITATION

Publication of Prospectus	**April 6, 2022**
Invitation Opens	**April 19, 2022**
Invitation Closes	**May 10, 2022**
Announcement of Basis of Allocation	Within 6 clear Business Days of the Closing Date
Refunds of subscription amounts (if applicable)	Within 10 clear days of the Closing Date

The above timetable as to the Opening and Closing Dates is indicative and will be implemented on a 'best efforts' basis. If there are changes to these dates, the Company will provide notice as soon as reasonably practicable via a press release and by all of the Approved Notification Methods.

GROUP CHAIRMAN'S STATEMENT TO PROSPECTIVE APPLICANTS

GOING FOR GROWTH, BUILDING A RESILIENT FUTURE

The last two years have been a defining period in the modern history of the world, for Jamaica and your Company. The COVID-19 pandemic has accelerated many changes in the way we live, work and do business. With great challenges come great opportunities to grow, learn, and adapt - a model that has worked for us successfully since our birth during the Great Recession of 2008.

Despite lockdowns and other containment measures instituted in the jurisdictions within which we operate, we maintained solid occupancy and collection levels in excess of 90% throughout the last two years and added premier assets to our portfolio during that period. These bold moves have brought big rewards which are reflected in our performance for the financial year 2021 where we reported a 40% improvement in rental revenue year-on-year and greater efficiency from the deployment of the Group's cash resources demonstrated by Net Operating Income increasing by 65% and operating margin increasing to 57%.

Our approach during these times is to focus on our enhanced resilience by acutely focusing on preserving liquidity, maximizing cost efficiency, while expanding our pipeline of increasingly attractive investment opportunities. The need for a well-executed digital transformation has also emerged as a central requirement in order to thrive in a post-pandemic world, and we are currently carving out our own niche in this space.

The advancements in and use of technology, among other factors, will continue to shape the demand for large physical locations and how they will be deployed in the future. We firmly believe we are on the path to growth and full recovery and are earnestly preparing for that future.

We continue to pursue our strategic goal of increasing our equity to better position us to increase our property under management at an optimal pace. In keeping with this plan we are now returning to the capital market in order to provide additional resources to enable us to, among other objectives, fund new property acquisitions and projects that meet our investment criteria.

In July 2020, in the midst of lockdowns and other containment measures instituted by the respective governments, we made our single largest property acquisition to date with a 100% leased multi-story office building in the Cayman Islands (The Harbour Centre) totalling 30,689 sq. ft. for a consideration of US$10.7M. Additionally, in October 2020 we purchased an approximately 88,000 sq. ft. warehouse building prominently located in Kingston's industrial belt. These purchases were made from, inter alia, the proceeds of our last capital markets fund raise and are in line with our strategy of diversifying our holdings amongst various geographic markets and in different asset sub-classes. Capital improvement projects have also been undertaken at a number of our properties beginning in 2020 and continued through 2021, and from the proceeds of this Additional Public Offering, we expect to be even better positioned to execute on our capital improvement projects over the next three months. These projects will upgrade KPREIT's building infrastructure and enhance our ability to attract higher rental rates.

DIVIDENDS & STOCK PRICE

The Company's stock price as at December 31, 2021 closed at J$9.00 per share, representing an 60% improvement on the subscription price offered in the November 2019 Rights Issue and a calendar year to date improvement of 24%. This result outperformed the main JSE index, over the same period and ranked KPREIT among an elite few public companies to achieve this performance. Subscribers from our last rights issue in 2019 would therefore have seen a 60% increase in the value of their investment in the Group. A total of $450,000 in dividends was declared in January 2021 and paid to shareholders in March 2021, with a further $450,000 declared at the end of June 2021 and paid on August 23, 2021. In addition, the Board in February 2021 approved the amendment of our dividend policy to pay out up to 90% of Funds from Operations (FFO), which based on our growth strategy, will continue to provide our shareholders with consistent and more meaningful dividend payments.

GROWTH IMPERATIVES

Our key priorities over the next 12 months include: (i) capital growth; (ii) geographic portfolio diversification; (iii) leveraging strategic partnerships for growth, and (iv) executing on our digital roadmap.

KPREIT from inception has been built on a solid foundation of agility in the face of adversity, along with sound financial and risk management practices geared at enhancing shareholder value. We have identified a robust deal pipeline, which will include a combination of value added and greenfield opportunities in the industrial, residential and office spaces across three different jurisdictions. We believe that as e-commerce and digital logistics platforms continue to grow, the demand for industrial spaces will increase. Small open economies such as Jamaica and the Cayman Islands that have a high propensity to import will see tremendous growth in this sub class.

Beyond any global crisis, our relationships with external stakeholders, partners and clients, continue to shape our growth, sustainability and resilience. While we are seeing encuraging signs, no one knows with certainty when a post-COVID19 world will begin or what it will look like. What we do know is that thriving will require new and unfamiliar approaches to solving old problems and anticipating the challenges that are yet come. While there are early signs of recovery in many of the world's economies there have been some instances of hikes in interest rates. In general, we anticipate that global monetary policies will largely remain fairly accommodative as the post peak pandemic recovery process continues. This augurs well for the future of certain asset classes such a real estate. Accordingly, we believe it is an opportune time to return to the capital markets in preparation for the recovery and KPREIT is well positioned to continue creating value for our shareholders. With future-ready improvements in our information technology systems and maintaining our focus on warehousing and logistics assets, we are confident that we are building a stronger, more resilient organization whose entire focus will continue to be on creating value, understanding the market and accurately identifying opportunities for growth through emerging tools and data insights.

These are challenging times for leaders everywhere, and ours have displayed exceptional calm, empathy, skill and wisdom in steering us through all of this unpredictability. I would therefore like to thank our entire team including my fellow directors and management, for adopting a shared vision of aspiring to exceptionally high standards of achievement. We are confident in going boldly into a new era under their collective stewardship. The work ahead will push us all beyond our comfort zones, but it is the time for transformation with the belief that together we can do more and go further.

GARFIELD SINCLAIR
CHAIRMAN
April 5, 2022

1. DEFINITIONS

In this Prospectus, the following words and phrases shall, unless the context otherwise requires, be read and construed as having the following meanings:

"Allotment"	the allocation and issuance of New Ordinary Shares to successful Applicants
"Applicant"	the person (whether an individual(s), company or other legal entity) by whom an Application is made.
"Application"	a duly completed application to subscribe for New Ordinary Shares in the Invitation made by a person in accordance with the procedures set out in Section 16 of this Prospectus (or as may be modified by notice in writing given by or on behalf of the Company).
"Application Form"	the prescribed Application Form enclosed with this Prospectus or available for download at **www.kpreit.com** and **www.jamstockex.com** or **www.vmwealth.vmbs.com** or such form of application as is required to be completed online by Applicants submitting Applications electronically in accordance with the provisions of Section 16 of this Prospectus.
"Approved Notification Methods"	means posting a notice on: **(1)** the website of the Jamaica Stock Exchange at https://www.jamstockex.com, **(2)** the Arranger and Lead Broker's website https://vmwealth.vmbs.com/ and **(3)** the Company's website at http://www.kpreit.com
"Approved Payment Method"	Any of the methods of payment described in Section 16 of this Prospectus required to be used by Applicants in effecting payment of the Subscription Price.
"Arranger"	means Victoria Mutual Wealth Management Limited
"Business Day"	means a day other than a Saturday, Sunday or public general holiday in Jamaica on which banks are generally open for banking business.
"Closing Date"	the date of closing of the Invitation as set forth in Section 2 of this Prospectus, (subject to such early closure or extension as the Directors may determine).
the **"Company"**, or **"KPREIT"**	Kingston Properties Limited, a company incorporated under the Companies Act
the **"Companies Act"**	The Companies Act 2004 of Jamaica, as amended
"Directors"	the Directors of the Company

"Existing Ordinary Shares"	The 677,652,928 ordinary shares in the capital of the Company in issue as at the date of this Prospectus and which are listed on the JMD Main Market of the JSE, and which shall be converted to ordinary stock units in the capital of the Company upon the issue of the New Ordinary Shares.
"FSC" or **"Commission"**	the Financial Services Commission, duly established and existing under the Financial Services Commission Act of Jamaica 2001, as amended.
The **"Group"**	Kingston Properties Limited and its direct and indirect subsidiaries.
"Invitation"	The Invitation for subscription for the New Ordinary Shares contained in this Prospectus.
"J$", **"JMD"**	dollars denominated in the lawful currency of Jamaica
"JSE"	Jamaica Stock Exchange
"Lead Broker"	Victoria Mutual Wealth Management Limited
"New Ordinary Shares"	All of the ordinary shares in the capital of the Company which are made available for subscription in the Invitation and thereafter issued and allotted by the Company, and which upon issue will be converted to ordinary stock units in the capital of the Company ranking *pari passu* in all respects with the Company's Existing Ordinary Shares.
"Opening Date"	the date on which the Invitation opens, being April 19, 2022, or such other date as may be determined by the Directors, having regard to the Rules of the JSE.
"Registrar"	means Jamaica Central Securities Depository Limited. (JCSD)
the **"Securities Act"**	the Securities Act, 1999 of Jamaica as amended
"Selling Agents"	means each of the licensed securities dealers listed as Selling Agents in Section 3 of this Prospectus, together with any other licensed securities dealers as the Company may subsequently specify by notice on the JSE's website and on its website
"Subscription Price"	J$7.50 per New Ordinary Share and shall also include the flat JCSD processing fee for each Application. All references herein to the "Subscription Price" shall, except where the context otherwise requires, include the JCSD processing fee stated above. As at the date of issue of this Prospectus, the JCSD processing fee is J$172.50 (inclusive of applicable General Consumption Tax). In the event of any change in this amount, the Company will so advise via notice published.
"US$" or **"USD"**	Dollars denominated in the lawful currency of the United States of America
"Underwriter"	Victoria Mutual Wealth Management Limited

2. THE INVITATION

2.1. The Company invites applications for subscriptions from the public in Jamaica in respect of 200,000,000 New Ordinary Shares to be issued by the Company, at a Subscription Price of J$7.50 per New Ordinary Share. The New Ordinary Shares will rank ***pari passu*** in all respects with the Existing Ordinary Shares upon issue, and the New Ordinary Shares and the Existing Ordinary Shares will be converted to ordinary stock units in the capital of the Company immediately on issue of the New Ordinary Shares. The Invitation is underwritten by Victoria Mutual Wealth Management Limited, whose underwriting commitment is capped at J$500 million.

2.2. The application list with respect to the New Ordinary Shares will open at 9:00am on the Opening Date and will close at 2:30 p.m. on the Closing Date. Applications submitted prior to the Opening Date will be received, but not processed until the application list opens on the Opening Date. The Opening and Closing Dates stated in this Prospectus are indicative and will be implemented on a 'best efforts' basis.

2.3. The Company reserves the right to:

2.3.1. close the application list at any time without prior notice if Applications have been received prior to the Closing Date for the full amount of the New Ordinary Shares offered; or

2.3.2. suspend the acceptance of Applications at any time without prior notice after the opening of the application list for such period as the Directors shall determine; or

2.3.3. withdraw the Invitation at any time without prior notice after the opening of the application list and close the application list without accepting any Applications, in which event any amounts paid by Applicants in respect of the Invitation Price shall be refunded in full to Applicants, or

2.3.4. extend the closing of the application list beyond the abovementioned date; and/or

2.3.5. make available for subscription New Ordinary Shares greater in number than originally offered, up to an additional 100,000,000 New Ordinary Shares such that the total number of New Ordinary Shares made available in the Invitation does not exceed 300,000,000 New Ordinary Shares (the "Upsize Cap").

2.4. In addition, if the Company receives Applications for New Ordinary Shares in excess of the Upsize Cap, the Company may (but does not undertake to) apply to the FSC for registration of additional New Ordinary Shares in excess of the Upsize Cap in such amount as the Directors in their discretion may determine in consultation with the Arranger. If such additional registration is submitted and obtained, the Company may, but shall not be obliged to, issue and allot additional New Ordinary Shares in an amount not exceeding the limit of such additional registration. In any of the above events, the Company will provide notice as soon as reasonably practicable via a press release and by all of the Approved Notification Methods.

2.5. The terms and conditions of the Invitation are set out in Section 16 of this Prospectus. Details of the procedure for applying for the New Ordinary Shares, including supplemental documents to be provided by each Applicant are also set out in Section 16 of this Prospectus, and on the Application Form as well as on the Wealth IPO Edge Portal and on the approved online application portals used by the approved selling agents for the Invitation. Applications for New Ordinary Shares should be made using any of the procedures stated in Section 16 of this Prospectus *(Application Procedures & Conditions of Invitation)* and must be received by 2:30 pm on the Closing Date.

2.6. Each Application must be accompanied/supported by payment (or, where applicable, evidence of payment, as stated in Section 16) for the full amount payable on subscription utilising one of the Approved Payment Methods described in Section 16 and effected via the Wealth IPO Edge Portal or the approved online application portals used by the appointed selling agents for the Invitation and/or delivered to the Lead Broker listed in Section 3 of this Prospectus.

2.7. The New Ordinary Shares are intended be allotted (i) on a "first come, first served" basis if the Invitation is not oversubscribed and (ii) on a pro rata basis in the event of oversubscription, provided that the Company may (but does not undertake to) upsize the Invitation as more particularly set out in paragraph 16.10 of this Prospectus.

2.8. The Company intends to apply to the JSE for the listing on its JMD Main Market of all of the New Ordinary Shares issued and allotted arising from this Invitation and to make such application as soon as conveniently possible following the closing of the Invitation and the allocation of the New Ordinary Shares and in any event within the time permitted for doing so in accordance with the Rules of the JSE. These statements must not be construed as a guarantee that any of the New Ordinary Shares will be so listed.

2.9. Key Invitation Statistics

Number of Existing Ordinary Shares in issue at the date of this Prospectus	677,652,928
Maximum number of New Ordinary Shares to be issued by the Company pursuant to the Invitation	300,000,000 (if fully upsized)
Number of issued ordinary shares immediately following completion of the Invitation *(assuming all New Ordinary Shares subscribed for and issued, without any upsizing)*	877,652,928
Number of issued ordinary shares immediately following completion of the Invitation *(assuming all New Ordinary Shares – including maximum upsize amount - subscribed for and issued)*	977,652,928
New Ordinary Shares as a percentage of the issued ordinary shares immediately following completion of the Invitation *(assuming all New Ordinary Shares subscribed for and issued)*	If not upsized: 22.8% If fully upsized: 30.7%
New Ordinary Shares available as a percentage of the Existing Ordinary Shares in issue as at the date of this Prospectus	(assuming 200,000,000 New Ordinary Shares): 29.5% (assuming 300,000,000 New Ordinary Shares): 44.3%
Minimum number of New Ordinary Shares that may be applied for	1,000, with multiples of 100 additional New Ordinary Shares
Maximum gross proceeds of the Invitation	J$2,250,000,000.00 (assuming Invitation is fully upsized)
Estimated expenses of the Invitation *(fees for professional advisers and auditors, brokerage fees, listing fees, Selling Agents' fees, marketing expenses, JCSD and regulatory fees)*	An aggregate amount not exceeding 5% of the amount sought to be raised in the Invitation
Estimated maximum net proceeds of the Invitation	J$2,137,500,000.00 (assuming Invitation is fully upsized)

Reasons For Invitation & Use Of Proceeds

2.10. Our core business involves the acquisition and/or development of real estate. Consistent with that, one of our strategic goals is to increase our equity to better position us to increase our real estate under management at an optimal pace. The Group secured a bridge loan of J$700 million in July 2021 to assist in the cost of financing the acquisition of the 232A Spanish Town Road and Cross Roads properties, and we intend to utilize a portion of the proceeds from the Invitation to liquidate this facility.

2.11. Separately, other opportunistic real estate acquisitions have been made as discussed in this Prospectus. In March 2021, we acquired a half-acre property on Dumfries Road in New Kingston on which a multi-story, multi-use commercial building will be constructed, and in October 2021, we acquired the 1.7 acre Cross Roads property on which a mixed use industrial building will be constructed. We intend to utilize a portion of the proceeds from the Invitation to assist in financing the development of these two properties.

2.12. KPREIT's investment strategy is to identify and acquire mainly value-added commercial properties in multiple jurisdictions to provide a better than average risk adjusted return on investment. As part of its strategic focus during the pandemic, the Group has been identifying distressed assets in segments of the real estate market most likely to benefit from the recovery expected post-pandemic. We are always engaged in seeking out real estate investment opportunities wherever they arise. It is difficult for us to predict when attractive and suitable real estate investment opportunities will arise, and given the overall macroeconomic environment, we believe the time is opportune for another capital raise to give us the flexibility of having adequate financial resources to take advantage of opportunities that may arise from time to time. Apart from the specific objectives outlined in the preceding paragraphs, we expect that the proceeds of this Invitation will also assist us in this aim and better position us to move quickly as and when opportunity knocks.

2.13. Our deployment of our last raise has resulted in solid improvement in our financial performance for 2021 and primarily evidenced by a 65% increase in net operating income year over year which ultimately redounds to the benefit of all shareholders. The net proceeds of the Invitation will therefore be used by the Company for the purposes indicated above, as well as to defray the expenses associated with the Invitation.

Taxation Considerations

2.14. The taxation discussion set out below is intended only as a descriptive summary and does not purport to be a complete technical analysis or listing of all potential tax effects to persons in

Jamaica who subscribe for the New Ordinary Shares. It is based on current income tax law, which is subject to change from time to time. Applicants should consult with their tax advisors concerning issues including: the application of Jamaican income tax laws to them arising from an investment in the New Ordinary Shares; any consequences to them arising under the laws of any other taxing jurisdiction; and, where applicable, the availability for income tax purposes of a credit or deduction for Jamaican taxes.

2.15. Ordinary share dividends paid to investors resident in Jamaica who are individuals or companies holding less than 25% of the voting shares in the Company are subject to a 15% withholding tax at source. On the other hand, ordinary dividends paid by the Company to shareholders who are not resident in Jamaica, and who do not reside in countries that have entered into a double taxation treaty with Jamaica are subject to income withholding tax at the rate of 33⅓% if the payment is made to a person other than an individual, or 25% if the payment is made to an individual.

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

2.17. Additionally, pursuant to the provisions of Article 11 of the CARICOM Double Taxation Treaty (the "Treaty"), dividends/distributions paid to holders of the Company's ordinary stock units who are residents of those CARICOM Member States in respect of which the Treaty has come into force in accordance with the provisions of the Treaty should be subject to tax in Jamaica at a rate of 0% percent, with no further taxation in such shareholder's country of residence.

2.18. Capital distributions are subject to transfer tax (currently 2% on the amount of the distribution), unless they qualify for relief.

2.19. If the New Ordinary Shares are listed on the JSE, as anticipated, then the transfer of these New Ordinary Shares on the JSE is exempt from transfer tax and ad valorem stamp duty in Jamaica. If securities (including the New Ordinary Shares) are transferred other than by way of the facilities of the JSE then transfer tax (currently 2%) and stamp duty (currently a maximum of J$5,000.00 per transfer) would be chargeable in Jamaica.

2.20. Each prospective Applicant should consult with an independent advisor as to the rate of withholding and other taxes that is applicable to each Applicant. With respect to other possible tax implications, potential Applicants should consult their own tax advisors. Prospective Applicants should also seek advice on the taxation of listed companies and their prospective investment in the Company from a professional adviser and should not rely on the summary set out above.

3. PROFESSIONAL ADVISORS & UNDERWRITER TO THE INVITATION

ARRANGER & LEAD BROKER & LISTING AGENT & UNDERWRITER

VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED
Victoria Mutual Building
53 Knutsford Boulevard, Kingston 5
Dwight Jackson
Dwight.jackson@myvmgroup.com
Telephone #: 876-960-5000 | 876-322-9955
Website: www.vmwealth.vmbs.com

ATTORNEYS TO THE COMPANY

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

AUDITOR

KPMG
Chartered Accountants
P.O. Box 436
6 Duke Street Kingston
Telephone #: 876-922-6640
Email address: firmmail@kpmg.com.jm

REGISTRAR AND TRANSFER AGENTS

JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED
40 Harbour Street Kingston
Telephone #: 876-967-3274
Website: www.jamstockex.com

SELLING AGENTS

JMMB SECURITIES LIMITED
6 Haughton Terrace, Kingston 10
Telephone #: 876-920-5050
Website: www.jmmbsecurities.com

SAGICOR INVESTMENTS JAMAICA LIMITED
The Sagicor Building
85 Hope Road, Kingston 6
Telephone #: 888-SAGICOR (724-4267)
Website: www.sagicor.com

SCOTIA INVESTMENTS JAMAICA LIMITED
7 Holborn Road, Kingston
Telephone #:+1 888-429-5745
Website: www.jm.scotiabank.com scotia-investments.html

JN FUND MANAGERS LIMITED
2 Belmont Rd, Kingston
Telephone #:876-929-2289
Website: www.jnfunds.com

BARITA INVESTMENTS LIMITED
15 St Lucia Way, Kingston 5
Telephone #: (876) 926-2681
Website: www.barita.com

4. DESCRIPTION OF THE COMPANY & ITS ACTIVITIES

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

As at the date of the issue of this Prospectus, the Company has three wholly-owned direct subsidiaries:

a. KPREIT (St Lucia) Limited, incorporated in St Lucia on December 29, 2021. KPREIT (St. Lucia) Limited has two wholly-owned subsidiaries:

(i) Kingston Properties Miami LLC, incorporated in Florida under the Florida Limited Liability Company Act on March 12, 2010; and

(ii) KPREIT (Cayman) Limited (formerly "Kingston Properties (St Lucia) Limited") which was originally incorporated in St. Lucia but subsequently redomiciled to the Cayman Islands by way of continuation and its name changed.

b. KP (REIT) Jamaica Limited, incorporated on September 14, 2018 in Jamaica under the Companies Act

c. KP Dumfries Limited, incorporated in Jamaica on February 16, 2021 under the Companies Act.

The Group undertook a restructuring of its overseas subsidiaries between December 2021 and January 2022. The restructuring saw:

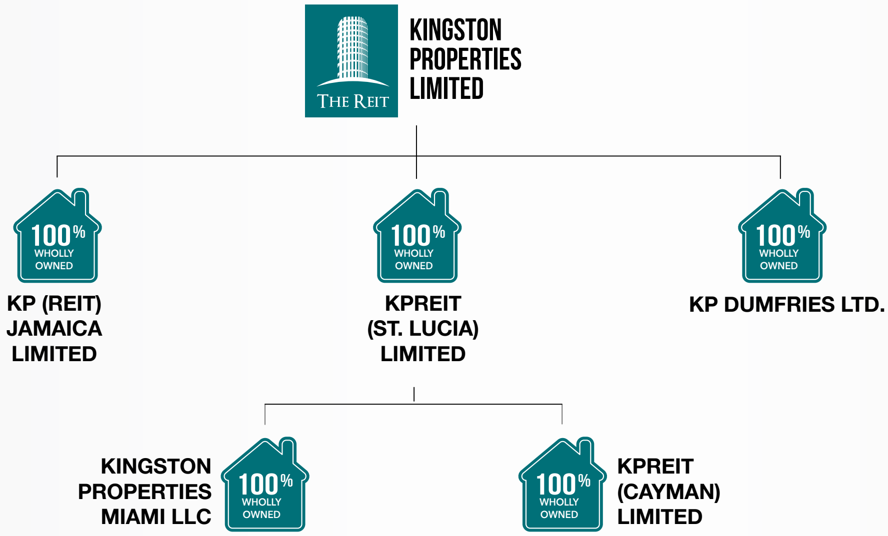
(i) the incorporation of KPREIT (St. Lucia) Limited to serve as the new parent company of its overseas subsidiaries, replacing KPREIT (Cayman) Limited (formerly "Kingston Properties (St Lucia) Limited"), and

(ii) the subsequent transfer of ownership of (i) KPREIT (Cayman) Limited (formerly "Kingston Properties (St Lucia) Limited") and (ii) Kingston Properties Miami LLC from the Company to the new entity, KPREIT (St Lucia) Limited; and

(iii) the redomiciling of KPREIT (Cayman) Limited (formerly "Kingston Properties (St Lucia) Limited") from St. Lucia to Cayman, and the change of its corporate name to the current name to reflect the redomiciling. It should be noted that at paragraph 1 of Section 6 of this Prospectus ("Additional Information"), the corporate structure set out there is as at December 31, 2021, prior to the full completion of the restructuring exercise, and as stated there, prospective Applicants are directed to read that paragraph in conjunction with note 29 to the Group's audited financial statements at Appendix 2 which contains information on the restructuring exercise.

The corporate structure of the Company and its direct and indirect subsidiaries is set out below.

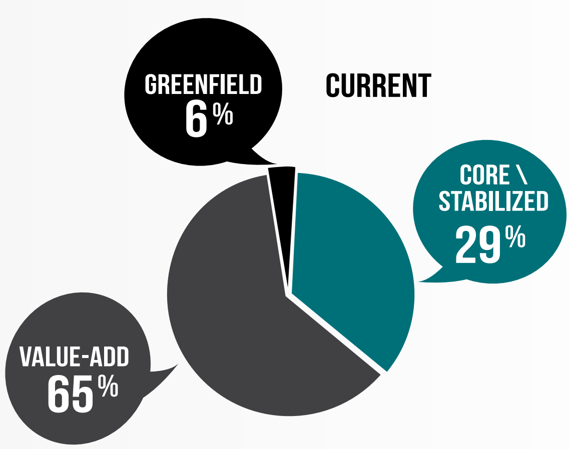
TABLE 1 – CORPORATE STRUCTURE

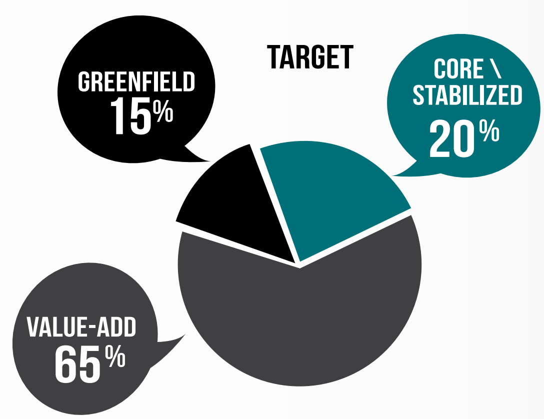


KPREIT Core Investment Strategy

KPREIT specialises in value-add commercial property investments in the industrial, office, multi-family and mixed-use spaces.

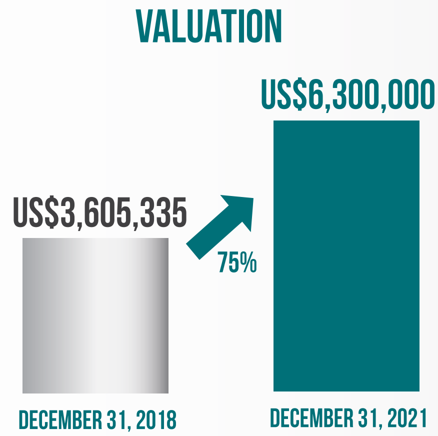
TYPE	DESCRIPTION
CORE/STABILIZED	Properties with stable cash flows with established long-term tenants in **Class A** or **B** buildings in great locations.
VALUE-ADD	Typically poorly managed properties that have below market rents and require upgrading improved operating efficiency and ultimately rents and markets values.
OPPORTUNISTIC/ GREENFIELD PROJECTS	Typically properties with no cash flows and require significant investment for improvement or new construction. Includes ground up developments or conversion.





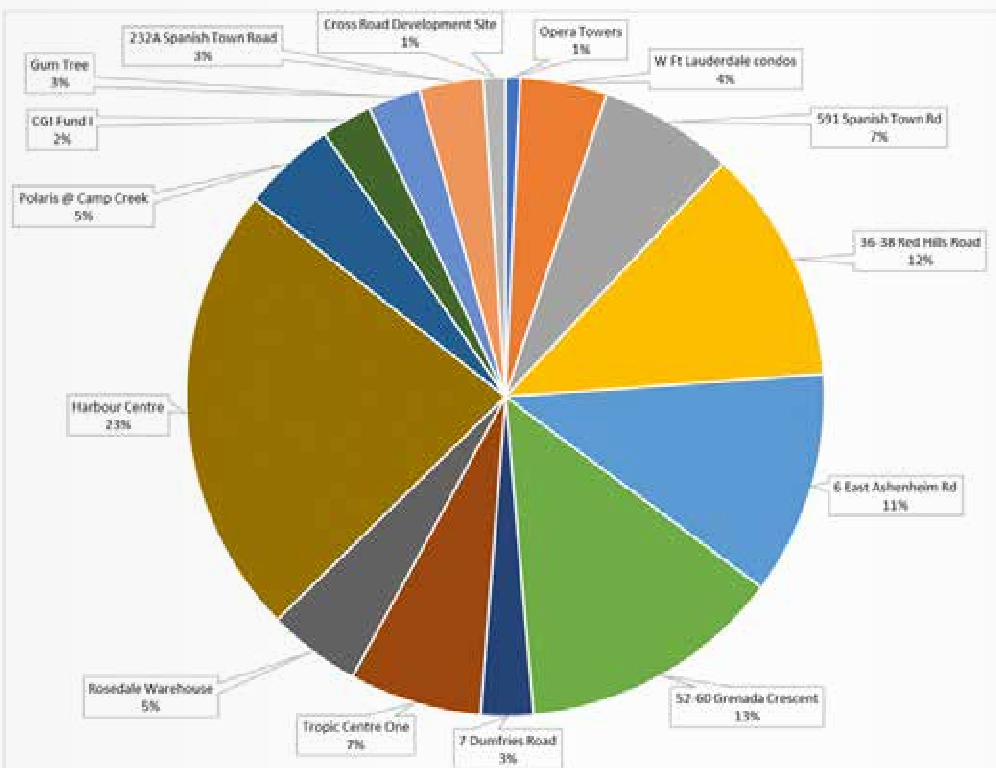
CASE STUDY
VALUE - ADD OPPORTUNITY (THE GRENADA CRESCENT PROPERTY)

- Below market purchase price due to the need for update.
- Below market rents that could be adjusted upwards.
- Marketable property with strong pool of prospective tenants.
- Property value increased by 75% in three years due to higher rental yield.



4.2. As at December 31, 2021, the Group owned properties in Jamaica, the United States and the Cayman Islands as set out below. Further details of these properties are set out in **Section 7**:

TABLE 2 – INVESTMENT PROPERTIES HELD AND REAL ESTATE PARTNERSHIPS AS AT DECEMBER 31, 2021



4.3. Following the principles of a Real Estate Investment Trust ("REIT"), the Company's shareholders benefit from both the appreciation of the value of the properties owned, as well as the distribution of the income derived from these assets. Our ***"Buy Local, Own Global"*** motto refers to the fact that the ownership of shares in KPREIT means that various types of shareholders, even those with limited funds, can access a geographically diversified real estate portfolio that generates sustained cash flows. Consequently, shareholders do not have to purchase the real physical property in order to receive financial benefits from that investment outside the shores of Jamaica.

Corporate Objective

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

A. Investment Management
B. Property Management
C. Business Strategy

A. Investment Management

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

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

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

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

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

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

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

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

B. Property Management

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

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

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

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

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

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

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

C. Business Strategy

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

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

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

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

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

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

Capital Structure

4.5. The Company's capital structure as at December 31, 2021 is set out below, along with **(i)** a table showing the changes in the number of its issued shares over the years, and **(ii)** additional information on the ownership of its Existing Ordinary Shares as at December 31, 2021. Based on a decision by its Board to facilitate an alternative means of returning value to its shareholders, from time to time the Company repurchases its shares on the open market via the JSE in accordance with the Rules of the JSE, which purchases will result in a reduction in the number of issued shares.

TABLE 3 - CHRONOLOGY OF CHANGES IN ISSUED SHARES

YEAR	SHARES AT START OF THE YEAR	SHARE BUY BACKS	NEW ISSUE	SHARES AT YEAR END
2008	68,800,102	-	-	68,800,102
2009	68,800,102	-	-	68,800,102
2010	68,800,102	-	-	68,800,102
2011	68,800,102	-	-	68,800,102
2012	68,800,102	-	-	68,800,102
2013	68,800,102	-	-	68,800,102
2014	68,800,102	(428,500)	-	68,371,602
2015	68,371,602	(235,755)	92,860,487 *(Rights Issue)*	160,996,334
2016	160,996,334	-	-	160,996,334
2017	160,996,334	-	160,996,334 *Stock Split*	321,992,668
2018	321,992,668	(103,253)	-	321,889,415
2019	321,889,415	(47,537)	355,871,765 *(Rights Issue)*	677,713,643
2020	677,713,643	(51,244)	-	677,662,399
2021	677,662,399	(9,471)	-	677,652,928
2022	677,652,928	-	*200,000,000	877,652,928

**** - If Invitation fully subscribed***

DESCRIPTION	TOTAL NUMBER OF SHARES
CURRENT NUMBER OF ISSUED SHARES	677,652,928
NUMBER OF NEW SHARES FROM THIS INVITATION	200,000,000
TOTAL NUMBER OF SHARES POST INVITATION	877,652,928

TABLE 4 - CAPITAL STRUCTURE AS AT DECEMBER 31, 2021

CLASS	AUTHORISED	ISSUED UNITS
ORDINARY	2,000,000,000	677,652,928 (Total represents the number of shares in issue at the start of the year less shares repurchased as at December 31, 2021)

TABLE 5 - TOP TEN SHAREHOLDERS AS AT DECEMBER 31, 2021

	PRIMARY ACCOUNT HOLDER	VOLUME	%
1	VM WEALTH PROPERTY FUND	237,577,806	35.0
2	PRIME ASSET MANAGEMENT JPS EMPLOYEES SUPERANNUATION FUND	138,584,772	20.5
3	PAM - COURTS (JAMAICA) PENSION PLAN	45,475,068	6.7
4	PAM - POOLED EQUITY FUND	41,096,639	6.1
5	PLATOON LIMITED	31,018,806	4.6
6	NATIONAL INSURANCE FUND	27,142,856	4.0
7	PAM-POOLED PENSION REAL ESTATE	25,800,681	3.8
8	GUARDIAN LIFE SHELTER PLUS FUND	20,680,000	3.1
9	SAGICOR LIFE - LASCELLES DEMERCADO DEFINED CONTRIBUTION FUND	17,793,565	2.6
10	GUARDIAN LIFE POOLED PENSION FUND	10,000,000	1.5
	TOTAL	**595,170,193**	**87.8**

Dividend Policy and Payments

4.6. The New Ordinary Shares will entitle the holders to receive all ordinary dividends and capital distributions declared and paid by the Company in respect of its ordinary shares in issue following the close of the Invitation and the issuing and allotment of the New Ordinary Shares for which Applicants have subscribed. The table below shows the dividends paid out by the Company for each of its last 5 financial years. In February 2021, the Directors adopted a policy of paying out as dividends up to 90% of Funds from Operations (FFO).

TABLE 6 – RECORD OF GROSS DIVIDENDS DECLARED FOR THE LAST 5 FINANCIAL YEARS

Financial Year	Gross Dividend (US$)*	Dividend (US$) Per Share+
2017	200,000	0.00124
2018	200,000	0.00062
2019	450,000	0.00140
2020	400,000	0.00059
2021	**900,000**	**0.00133**

* Rounded to the nearest $'000.
+ Dividend per share is based on the amount declared by the board at each declaration.

5. PROFILES OF DIRECTORS & SENIOR MANAGERS

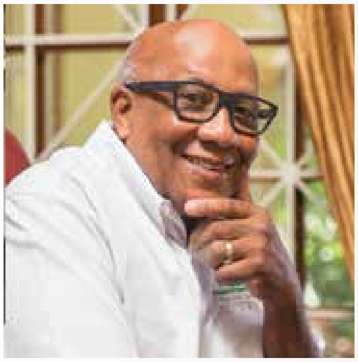
GARFIELD "GARRY" **SINCLAIR**
CHAIRMAN

Mr. Garfield Sinclair is the former President of the Caribbean operations of Cable & Wireless Communications. He sits as Chairman of the Jamaica Stock Exchange Pension Fund and Kingston Properties. His wealth of experience in Business management also includes roles as the Managing Director of Flow, chief executive officer of Bahamas Telecommunications Company (BTC) and team member of the team which created Dehring, Bunting & Golding Limited. Licensed as a CPA from 1993, Mr. Sinclair has a B.Sc. in Business Administration from San Diego State University and an Executive Certificate in Strategy and Innovation from the Sloan School of Management at the Massachusetts Institute of Technology (MIT).

NICOLE **FOGA**
DIRECTOR & COMPANY SECRETARY

Ms. Nicole Foga is the Managing Partner of Foga Daley Attorneys At-Law and heads the firm's Commercial Department. Her practice areas include Cyber Law, Intellectual Property and Commercial Law. Ms. Foga also holds chairmanship positions on the Telecommunications, Broadcasting and Technology Committee of the Jamaican Bar Association and the University of Technology's Pension Fund. She is Vice Chairman of Jamaica's Copyright Tribunal, Director and Company Secretary for the Usain Bolt Foundation and a member of the Mona ICT Policy Centre Advisory Committee. Among her numerous other activities, she is also a prolific author.

Ms. Foga holds an LLM in Commercial Law (Aberdeen University), LLB and a Bachelor of Arts Degree (1st Class Hons.) from the University of the West Indies.



GLADSTONE "TONY" **LEWARS**
DIRECTOR

Mr. Gladstone "Tony" Lewars OD, CD is a Chartered Accountant by profession and a retired partner of PricewaterhouseCoopers where he was the Leader for the Advisory division of the firm. He is a Director of Mayberry Investment Ltd and Guardian Life Limited and chairs the Boards of JN Cayman Limited, JN Cayman Money Services Limited, Guardian Group Foundation and The Holy Trinity High School. He serves on the Board of Governors for The Alpha Academy and is a member of the Police Civilian Oversight Authority (PCOA).

Mr. Lewars holds two Masters degrees in Economics and Accounting from the University of the West Indies.

LISA **GOMES**
DIRECTOR

Ms. Lisa Gomes is the Founder and Managing Director of CapSol Advisory Limited. She has over 30 years of experience in Hospitality, Pension Fund Management, Financial Planning and Investment Banking. She has also worked as a Director and the President of Guardian Asset Management Jamaica Limited. Ms. Gomes chairs the Audit Risk and Compliance Committee Board of Caribbean Assurance Brokers. She also serves as Chairman of Proven Wealth Limited and chairs its Audit Committee.

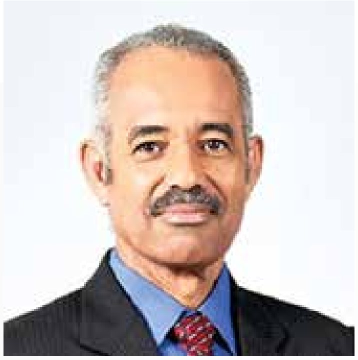
PETER **REID**
DIRECTOR

Mr. Reid is Senior Vice President & Chief Operating Officer at Victoria Mutual. He is a Banker with over 30 years of experience in the financial services sector, in particular, sales and management, credit, financial analysis, financial advisory and deal structuring.

He has also served as District Vice President for the Bank of Nova Scotia Jamaica Limited.

Mr. Reid's numerous directorships on corporate boards has included in the past Grace Kennedy Currency Trading Services Limited, Guardian Life Limited, Guardian Life Asset Management Jamaica Limited, the National Water Commission and West Indies Alliance Insurance Company Limited.

He holds an Bachelor of Arts Degree (hons.) in International Studies from York University in Toronto, Canada.



PHILLIP **SILVERA**
DIRECTOR

Mr Phillip G. Silvera, FCCA, FCA is a long-standing member of the Victoria Mutual family and is a former Executive Vice-President of The Victoria Mutual Building Society, where he spent 32 years in various senior positions including Divisional President, Financial Controller and Chief Accountant.

A fellow of the Association of Chartered Certified Accountants (FCCA) UK and the Institute of Chartered Accountants (FCA) Jamaica, Mr Silvera has over four decades of experience in the financial industry. He was also a licenced Securities Dealer and served as a registered Public Accountant for many years. He currently serves on the boards of The Victoria Mutual Building Society and two of its subsidiaries, Victoria Mutual Investments Limited and Victoria Mutual Wealth Management Limited. He chairs the Audit, Risk and Compliance Committees of both subsidiaries.

Mr Silvera is the Chair of the Board of Directors of Topaz Christian Fellowship and a Past President of the Golden Acres Citizens Association. He previously served on the boards of several other companies, including VMBS Money Transfer Limited, Victoria Mutual Insurance Company Limited, Jamaica Unit Trust and The Caribbean Graduate School of Theology. He is also a past Chairman of J.E.T.S. Limited, operators of MultiLink, Jamaica's largest payment system.

REZWORTH **BURCHENSON**
DIRECTOR

Rezworth Burchenson is a Senior Vice President and member of the Executive Leadership Team of the VM Group, and since January 2019 he has been the CEO of Victoria Mutual Investments Limited (VMIL) and its subsidiary, Victoria Mutual Wealth Management Limited (VMWM). He is a results-focused, purpose-driven leader with an impressive record of success in the financial services industry. Before joining the VM Group, Rezworth had provided transformative leadership in senior roles including CEO of Prime Asset Management Ltd and Vice President and General Manager of Pan Caribbean Asset Management Ltd, with principal responsibility for managing Jamaica's largest unit trust (Sigma Unit Trust).

In 2012, he was named among the PSOJ's exclusive '50 Under Fifty' in the field of investments and finance. His contribution to the sector also includes serving on the PSOJ's Economic Policy Committee and as a member of the Jamaica Stock Exchange (JSE) Best Practice Committee. He has also served as a Director of: National Road Operating and Constructing Company (NROCC), National Education Trust Ltd (NET), Human Resource Management Association of Jamaica, and Pension Funds Association of Jamaica (PFAJ).

While at the University of the West Indies, he earned a Bachelor's Degree in Economics (Hons) and an MBA in Banking and Finance (Hons). He also received leadership training at The Wharton School, Aresty Institute of Executive Education, and, Advanced Management Programme (AMP 194) at Harvard Business School.

SENIOR MANAGERS

KEVIN G **RICHARDS**
CHIEF EXECUTIVE OFFICER

Mr. Richards is the Chief Executive Officer of Kingston Properties Limited where he is tasked with driving the strategic objectives of the company and maximizing shareholders' value. His career spans over 25 years of experience in the areas of media, investment management and real estate. He is a former Senior Director – Investments at Jamaica's National Insurance Fund, a multi-billion dollar government controlled pension scheme and has held senior executive positions with leading investment houses in Jamaica.

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

TATESHA **ROBINSON-ROWE**
SENIOR MANAGER- OPERATIONS

Mrs. Rowe holds a Bachelor of Science in Economics and Statistics (Hons) and a Master of Science in Economics both from the University of the West Indies, Mona. Since joining the Kingston Properties team in 2010, she has led the operations management of the organization including tenant relations and communications, as well as the human resources management and investor relations.

She oversees all lease renewals for existing tenants, lease negotiations for new tenants and acts as the chief liaison with the Group's property management partners in both Cayman and the US. She also interacts with the management company and leasing agents, screens new applicants.

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

ANDRAY **FRANCIS**
CHIEF FINANCIAL OFFICER

Mr. Francis was appointed Chief Financial Officer of Kingston Properties Limited in May 2020. He currently provides leadership for the Group's financial planning and reporting, information technology and risk management strategies. He also provides oversight of the property management function and is responsible for the optimization of operational controls to facilitate sustainable business growth.

Mr Francis has over 23 years of expertise as a finance professional, having held significant finance roles in the manufacturing, distribution, automotive, energy and real estate sectors. Prior to joining the company, he served as Group Financial Controller of a major multinational group, headquartered in Tokyo, with responsibilities for the US and Caribbean region.

He holds a B.Sc. in Business Administration from the University of Technology Jamaica and is a Fellow of both Institute of Charter Accountants of Jamaica (ICAJ) and the Association of Chartered Certified Accountants (ACCA) of the United Kingdom.

6. PRESENTATION OF CURRENT & HISTORICAL FINANCIAL DATA

Additional Disclosures

For each of the Five Years Ended December 31, 2021, 2020, 2019, 2018 and 2017
(Expressed in United States dollars for 2018 - 2021 and Jamaican dollars for 2017)

1. ADDITIONAL INFORMATION

The summary financial statements are derived from the consolidated financial statements of Kingston Properties Limited as at and for the years ended December 31, 2021, 2020, 2019, 2018 and 2017. The Company is incorporated and domiciled in Jamaica, with its registered office at 7 Stanton Terrace, Kingston 6, Jamaica and the principal place of business at Building B, First Floor, 36-38 Red Hills Road, Kingston 10, Jamaica. The Company's shares are listed on the Jamaica Stock Exchange.

The Group comprises the Company and its wholly owned subsidiaries; Kingston Properties (St. Lucia) Limited, incorporated in St. Lucia under the International Business Companies Act; and its wholly-owned subsidiary Kingston Properties Miami LLC, incorporated under the Florida Limited Liability Company Act, KP (Reit) Jamaica Limited and KP Dumfries Limited, both incorporated in Jamaica under the Jamaican Companies Act and KPREIT (St. Lucia) Limited, newly incorporated in St. Lucia on December 29, 2021. Also, refer to note 29 on the audited financial statements for additional information.

2. BASIS OF PREPARATION

These summary financial statements have been extracted from the consolidated financial statements as at and for the years ended 31 December 2021, 2020, 2019, 2018 and 2017. The consolidated financial statements were authorised for issue by the Board of Directors on March 1, 2022, March 1, 2021, February 28, 2020, February 28, 2019 and February 26, 2018 respectively.

Those financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and contain unmodified audit opinions.

The summary consolidated financial statements do not include all the disclosures provided in the complete consolidated financial statements and will not provide as comprehensive an understanding as provided by the complete consolidated financial statements. A complete set of audited financial statements for the Group for each of the periods presented are set out in full on the website of the JSE at https://www.jamstockex.com and at the Company's website at http://www.kpreit.com and in respect of the year ended December 31, 2021, at Appendix 2.

The functional currency of the Company was deemed to be USD during the financial year 2019, as stated at paragraph 9.9 of the Prospectus. Prior to this, the functional currency was the JMD hence the audited financial statements for the previous years are presented in JMD. Following consultation with the auditors, the Company has determined it is not practical or feasible to present the financial information in USD prior to 2018 as any currency conversion basis would be estimated and arbitrary. The 2018 numbers were restated in USD as part of the 2019 audit exercise. The historical financial information is therefore presented in the most relevant functional currencies to ensure they give a true and fair view of the state of the Company's affairs for each accounting period.

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INDEPENDENT AUDITORS' REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors
KINGSTON PROPERTIES LIMITED

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statements of financial position as at December 31, 2017 to December 31, 2021, the summary consolidated statements of profit or loss and other comprehensive income and the dividends paid for each of the five years then ended, are derived from the audited consolidated financial statements of Kingston Properties Limited and its subsidiaries ("the Group") for the years ended December 31, 2017 through to December 31, 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the criteria developed by management.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our reports thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the dates of our reports on the audited consolidated financial statements.

Page 2

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

To the Board of Directors
KINGSTON PROPERTIES LIMITED

The Audited Consolidated Financial Statements and Our Reports Thereon

We expressed unmodified audit opinions on the audited consolidated financial statements in our reports dated as follows:

Year End	Audit Report Date
December 31, 2017	February 26, 2018
December 31, 2018	February 28, 2019
December 31, 2019	February 28, 2020
December 31, 2020	March 1, 2021
December 31, 2021	March 1, 2022

Those reports also include the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated financial statements.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the criteria as developed by management.

Auditors' Responsibility

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

KPMG

Chartered Accountants
Kingston, Jamaica

March 18, 2022

	2017 JMD	2018 USD	2019 USD	2020 USD	2021 USD
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Rental Income	196,322,267	1,573,865	1,690,138	2,130,727	2,981,417
Operating Expenses	(124,325,694)	(1,016,865)	(1,016,341)	(1,100,482)	(1,283,008)
Results of operating activities before other income	71,996,573	557,000	673,797	1,030,245	1,698,409
Increase in fair value of Investment Property	11,708,755	(32,536)	1,605,192	307,539	838,001
Termination Fees	205,376	-	-	-	-
Increase in fair value of other Investments	-	-	-	85,219	534,553
Gain/Loss on disposal of Investment Property	-	(361,798)	(107,565)	(78,392)	246,386
Management Fees	7,957,901	38,714	62,994	69,673	76,117
Dividend Income	-	-	-	-	75,622
Investment Fee	-	-	-	-	30,000
Loss on disposal of furniture and equipment	-	-	-	-	(2,971)
Impairment (allowance) / reversal of financial assets	-	(11,194)	(9,481)	(2,991)	(15,000)
Miscellaneous Income	904,145	3,806	12,478	3,136	41,138
Operating Profit	92,772,750	193,992	2,237,415	1,414,429	3,522,435
Finance Income	691,734	143,164	176,867	212,837	148,986
Finance Costs	(42,782,716)	(404,314)	(415,729)	(1,029,919)	(574,543)
Net Finance Income/Costs	(42,090,982)	(261,150)	(238,862)	(817,082)	(425,557)
Profit or Loss before income tax	50,681,768	(67,158)	1,998,553	597,347	3,096,878
Income tax charge/credit	28,477,048	329,546	200,821	15,378	(78,566)
Profit for the year	79,158,816	262,388	2,199,374	612,725	3,018,312
Earnings per stock unit (adj.)	$0.25	$0.00081	$0.00619	$0.00090	$0.00445
Foreign currency translation differences	(40,074,054)	(5,129)	-	-	-
Total Comprehensive Income	39,084,762	257,259	2,199,374	612,725	3,018,312
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
NON-CURRENT ASSETS					
Investment Property	2,471,466,048	20,620,680	23,939,643	38,130,420	41,779,432
Investments at fair value through profit/loss	-	-	-	1,085,219	3,451,163
Restricted Cash	24,474,097	197,931	122,296	482,134	1,969
Furniture and Equipment	3,071,788	48,996	53,922	169,487	208,099
Total non-current assets	2,499,011,933	20,867,607	24,115,861	39,867,260	45,440,663
CURRENT ASSETS					
Deposits on Investment Property	-	-	-	-	1,232,761
Investment property held-for-sale	-	797,000	-	240,000	497,250
Receivables	19,017,349	373,435	642,894	595,223	581,436
Income tax recoverable	-	-	-	20,848	11,199
Cash and Cash Equivalents	37,966,958	1,020,954	15,169,168	4,871,737	2,707,039
Total current assets	56,984,307	2,191,389	15,812,062	5,727,808	5,029,685
Total Aseets	2,555,996,240	23,058,996	39,927,923	45,595,068	50,470,348
EQUITY					
Share Capital	1,028,508,717	10,939,563	25,319,010	25,316,779	25,316,337
Treasury Shares	(5,049,311)	(4,172)	-	-	-
Currency translation reserve	246,157,965	(1,488,861)	(1,488,861)	(1,488,861)	(1,488,861)
Retained earnings	469,830,745	4,726,999	6,475,764	6,688,638	8,807,027
Total Equity	1,739,448,116	14,173,529	30,305,913	30,516,556	32,634,497
NON-CURRENT LIABILITIES					
Loans Payable	676,122,908	7,790,415	8,615,999	12,788,595	11,869,797
Deferred tax liabilities	78,403,796	251,936	35,976	-	51,473
Total non-current liabilities	754,526,704	8,042,351	8,651,975	12,788,595	11,921,270
CURRENT LIABILITIES					
Current portion of loas payable	28,502,662	543,121	660,019	935,885	5,374,156
Accounts payable and accrued charges	33,389,267	254,855	300,253	1,354,032	529,383
Income tax payable	129,491	45,140	9,763	-	11,042
Total current liabilities	62,021,420	843,116	970,035	2,289,917	5,914,581
Total Liabilities	816,548,124	8,885,467	9,622,010	15,078,512	17,835,851
Total Equity and liabilities	2,555,996,240	23,058,996	39,927,923	45,595,068	50,470,348

GROUP STATEMENT OF CASH FLOWS
FOR THE 5 YEAR PERIOD 2017 - 2021

	2017	2018	2019	2020	2021
GROUP STATEMENT OF CASH FLOWS	**J$**	**US$**	**US$**	**US$**	**US$**
Cash Flows from operating activities					
Profit for the year	79,158,816	262,388	2,199,374	612,725	3,018,312
Adjustments for:					
Income Tax charge	(28,477,048)	(329,546)	(200,821)	(15,378)	78,566
Depreciation	527,378	6,924	8,452	13,119	20,078
Interest income	(444,521)	(16,095)	(23,265)	(212,837)	(60,850)
Interest expense	42,144,115	370,055	400,305	458,444	497,853
Increase/decrease in fair value of investment property	(11,708,755)	32,536	(1,605,192)	(307,539)	(838,001)
Gain/loss on disposal of investment property	4,400	362,161	-	-	-
Increase in fair value of investment in real estate fund	-	-	-	(85,219)	(534,553)
Loss on disposal of investment property	-	-	107,565	78,392	(246,386)
Loss on disposal of furniture and equipment	-	-	-	-	2,971
Impairment loss/(reversal) on financial assets	-	11,194	9,481	2,991	15,000
Unrealized foreign exchange gains on loans	(6,626,418)	(47,283)	-	-	-
	74,577,967	652,334	895,899	544,698	1,952,990
CHANGES IN:					
Other receivables	11,231,732	(232,306)	(276,278)	44,350	(4,111)
Proceeds from disposal of land	17,708,050	-	-	-	-
Accounts payable and accured charges	(7,043,340)	3,189	33,781	39,481	185,556
Income tax paid	(11,324,055)	(2,232)	(50,516)	(51,209)	(6,402)
Net cash (used)/provided by operating activities	85,150,354	420,985	602,886	577,320	2,128,033
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	343,308	14,307	20,603	213,167	63,748
Additions to office property & equipment	(911,591)	(31,093)	(16,643)	(130,185)	(61,661)
FVTPL investments	-	-	-	-	(2,831,391)
Additions to investment property	(417,686,468)	(3,614,791)	(2,188,694)	(15,613,817)	(4,253,348)
Proceeds of disposal of furniture and equipment	-	-	3,265	1,501	-
Deposit on investment properties	-	-	-	-	(1,232,761)
Proceeds of disposal of investment proerty	-	1,578,412	1,164,359	1,412,187	1,431,473
Net cash used in investing activities	(418,254,751)	(2,053,165)	(1,017,110)	(14,117,147)	(6,883,940)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid	(42,144,115)	(370,214)	(402,451)	(438,608)	(519,835)
Dividends paid	(24,363,406)	(193,194)	(436,848)	(405,389)	(888,152)
Loan received	465,115,994	6,052,881	3,161,126	5,928,233	4,470,410
Repayment of bank loan/Loan repaid	(27,141,929)	(3,127,213)	(2,218,643)	(1,479,771)	(950,937)
Restricted cash	(24,474,097)	(12)	75,635	(359,838)	480,165
Treasury shares	-	(4,172)	(1,988)	(2,231)	(442)
Insurance of shared capital	-	-	14,385,607	-	-
Net cash provided by financing activities	346,992,447	2,358,076	14,562,438	3,242,396	2,591,209
Net decrease in cash and cash equivalents	13,888,050	725,897	14,148,214	(10,297,431)	(2,164,698)
Cash and cash equivalents at beginning of year	24,078,908	297,275	1,020,954	15,169,168	4,871,737
Difference on Translation		(2,218)			
Cash and cash equivalents at end of year	37,966,958	1,020,954	15,169,168	4,871,737	2,707,039

For the financial year 2021, we paid out 30% of net profits and 65% of funds from operations as dividends during the year and we continued our share buyback programme to return value to our shareholders during the year, with the purchase of 9,471 units at an average price of J$6.75.

The Key Ratios in the table below are derived from the audited financial statements of the Company for 2017-2021 and have been computed in accordance with the explanatory note below the table.

KEY RATIOS	2017	2018	2019	2020	2021
Loans as % of Total Equity	40.51%	58.80%	30.61%	44.97%	52.84%
Rental Income % of Total Investment Property	7.94%	7.63%	7.06%	5.59%	7.14%
Profit/Loss before income tax Margin %	23.35%	-5.55%	61.42%	23.75%	64.45%
Net Operating Margin %	36.67%	35.39%	39.87%	48.35%	56.97%
Operating Expenses as % of Rental Income	63.33%	64.61%	60.13%	51.65%	43.03%
OTHER DATA					
Gross Dividends (USD)	200,000	200,000	450,000	400,000	900,000
Dividend per share (USD)	$ 0.00062	$ 0.00062	$ 0.00066	$ 0.00059	$ 0.00133
Dividend Payout Ratio	32.43%	76.22%	20.46%	65.28%	29.82%
Book Value per share (JMD)	$ 5.40				
Book Value per share (USD)		$ 0.04	$ 0.04	$ 0.05	$ 0.05
Year end closing stock price (JMD) *	$ 7.70	$ 6.00	$ 6.63	$ 7.25	$ 9.00
Year End Market Capitalization (JMD)	2,479,343,544	1,931,336,490	4,493,241,453	4,913,052,393	6,098,876,352
JSE Index at Year End**	288,381.97	379,790.86	509,916.44	395,614.93	396,156
Year End Exchange rate USD:JMD***	$ 125.00	$ 27.721	$ 132.57	$ 142.65	$ 155.09
Year over Year % Change	-2.7%	2.2%	3.8%	7.6%	8.7%
Average annual exchange rate***	$ 128.36	$ 129.72	$ 134.22	$ 143.27	$ 151.62

* - https://www.jamstockex.com/
** - https://www.jamstockex.com/
*** - https://boj.org.jm/

EXPLANATORY NOTE:
The following ratios are derived using the below calculations:

Loans as % of Total Equity	Total loans divided by total equity
Rental Income % of Total Investment Property	Rental Income divided by Investment Property
Profit before income tax Margin %	Profit before Income Tax divided by Rental Income + Other income/gains
Net Operating Margin %	Net Operating Income divided by Rental Income
Operating Expenses as % of Rental Income	Operating Expenses divided by Rental Income
Dividend per share (USD)	Gross Dividends divided by Total Shares Outstanding at year end
Dividend Payout Ratio*	Gross Dividends paid multiplied by Average annual exchange rate, divided by Profit for the year.
Book Value per share	Total Equity divided by Total Shares Outstanding at year end

* The average annual exchange rate only applies to financial year 2017.

7. MANAGEMENT DISCUSSION AND ANALYSIS

7.1. The management of the Company is responsible for the integrity and objectivity of the information contained in the Management Discussion and Analysis ("MD&A"). The MD&A is prepared to give prospective Applicants information required to independently assess the operations and financial performance of the Company for the financial year ended December 31, 2021 compared with the prior financial year. It should be read in conjunction with the Company's financial statements for both periods under review as published.

7.2. The financial information disclosed in this MD&A for the period under review is consistent with the Company's audited consolidated financial statements and related notes for the financial year ended December 31, 2021 which can be found at Appendix 2.

7.3. Unless otherwise indicated, all amounts expressed are in United States dollars and have been primarily derived from the Company's financial statements which are prepared in accordance with International Financial Reporting Standards (IFRS).

7.4. This MD&A may contain forward-looking statements, and prospective Applicants should therefore refer to the Disclaimer & Note on Forward-Looking Statements in the beginning of this Prospectus when interpreting the information contained in this MD&A.

FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR
ENDED DECEMBER 31, 2021

The following is a presentation of key financial data (in US$) derived from the audited consolidated financial statements of the Group for the year ended December 31, 2021. A complete set of audited financial statements for the Group for the period are set out in full in **Appendix 2** or on the website of the JSE at **https://www.jamstockex.com** and at the Company's website at **http://www.kpreit.com.**

Kingston Properties Limited

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended December 31, 2021

(Expressed in United States Dollars unless otherwise stated)

		Group		Company	
	Notes	2021	2020	2021	2020
Revenue - rental income	4	2,981,417	2,130,727	1,010,602	651,372
Operating expenses	5	(1,283,008)	(1,100,482)	(826,345)	(508,151)
Results of operating activities before other income		1,698,409	1,030,245	184,257	143,221
Other income/(expenses):					
Increase /(decrease) in fair value of investment property	11(b)(i)	838,001	307,539	(111,695)	415,923
Increase in fair value of FVTPL investments		534,553	85,219	-	
Gain /(loss) on disposal of investment property		246,386	(78,392)	-	-
Management fees	6	76,117	69,673	76,117	69,673
Dividend income	12	75,622	-	-	-
Loss on disposal of furniture and equipment		(2,971)	-	-	-
Impairment (allowance)/reversal on financial assets	16,17	(15,000)	(2,991)	(10,000)	211,931
Miscellaneous income		71,318	3,136	-	155
Operating profit		3,522,435	1,414,429	138,679	840,903
Finance income	7	148,986	212,837	116,121	189,468
Finance costs	7	(574,543)	(1,029,919)	(214,737)	(619,677)
Net finance costs	7	(425,557)	(817,082)	(98,616)	(430,209)
Profit before income tax		3,096,878	597,347	40,063	410,694
Income tax (charge)/ credit	8	(78,566)	15,378	-	(15,522)
Profit for the year, being total comprehensive income for the year	9	$3,018,312	612,725	40,063	395,172
Earnings per stock unit (USD)	10	$ 0.0045	0.0009		
Earnings per stock unit (JMD)	10	$ 0.7011	0.1300		

Kingston Properties Limited

STATEMENTS OF FINANCIAL POSITION

December 31, 2021

(Expressed in United States Dollars unless otherwise stated)

	Notes	Group 2021	Group 2020	Company 2021	Company 2020
NON-CURRENT ASSETS					
Investment property	11	41,779,432	38,130,420	16,161,594	13,640,472
Investments at fair value through profit or loss	12	3,451,163	1,085,219	-	-
Restricted cash	18	1,969	482,134	1,969	2,134
Furniture and equipment	13	208,099	169,487	172,852	136,999
Investment in subsidiaries	14	-	-	20,201,760	14,585,395
Total non-current assets		45,440,663	39,867,260	36,538,175	28,365,000
CURRENT ASSETS					
Deposit on investment properties	15	1,232,761	-	-	-
Owed by subsidiaries	16	-	-	2,803,986	-
Investment property held-for-sale	11(g)	497,250	240,000	-	-
Receivables	17	581,436	595,223	456,891	346,316
Income tax recoverable		11,199	20,848	3,605	3,605
Cash and cash equivalents	18	2,707,039	4,871,737	925,886	684,039
Total current assets		5,029,685	5,727,808	4,190,368	1,033,960
Total assets		$50,470,348	45,595,068	40,728,543	29,398,960
EQUITY					
Share capital	19	25,316,337	25,316,779	25,316,337	25,316,779
Currency translation reserve	19	(1,488,861)	(1,488,861)	(4,153,262)	(4,153,262)
Retained earnings		8,807,021	6,688,638	2,463,113	3,322,979
Total equity		32,634,497	30,516,556	23,626,188	24,486,496
NON-CURRENT LIABILITIES					
Deferred tax liability	8	51,473	-	-	-
Loans payable	21	11,869,797	12,788,595	3,792,979	4,202,695
Total non-current liabilities		11,921,270	12,788,595	3,792,979	4,202,695
CURRENT LIABILITIES					
Current portion of loans payable	21	5,374,156	935,885	4,850,410	373,332
Owed to subsidiaries	16	-	-	8,132,050	218,139
Accounts payable and accrued charges	22	529,383	1,354,032	326,916	118,298
Income tax payable		11,042	-	-	-
Total current liabilities		5,914,581	2,289,917	13,309,376	709,769
Total liabilities		17,835,851	15,078,512	17,102,355	4,912,464
Total equity and liabilities		$50,470,348	45,595,068	40,728,543	29,398,960

The financial statements on pages 106 to 150 were approved for issue by the Board of Directors on March 1, 2022 and signed on its behalf by:

Garfield Sinclair
Chairman

Nicole Foga
Director/Company Secretary

Kingston Properties Limited

STATEMENTS OF CASH FLOWS

Year ended December 31, 2021

(Expressed in United States Dollars unless otherwise stated)

	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Cash flows from operating activities					
Profit for the year		3,018,312	612,725	40,063	395,172
Adjustments for:					
Income tax charge/(credit)	8	78,566	(15,378)	-	15,522
Depreciation	13	20,078	13,119	15,171	9,337
Interest income	7	(60,850)	(212,837)	(11,285)	(189,468)
Interest expense	7	497,853	458,444	165,641	105,676
Increase in fair value of investment properties	11(b)(i)	(838,001)	(307,539)	111,695	(415,923)
Increase in fair value of investments at FVTPL		(534,553)	(85,219)	-	-
(Gain)/loss on disposal of investment property		(246,386)	78,392	-	-
Loss on disposal of furniture and equipment		2,971	-	-	-
Impairment loss/(reversal) on financial assets	16,17	15,000	2,991	10,000	(211,931)
		1,952,990	544,698	331,285	(291,615)
Changes in:					
Receivables		(4,111)	44,350	(120,574)	(209,593)
Accounts payable and accrued charges		185,556	39,481	196,841	(9,043)
Income tax paid		(6,402)	(51,209)	-	(17,399)
Owed by subsidiaries		-	-	(2,803,986)	244,940
Owed to subsidiaries		-	-	7,913,911	(23,310)
Net cash provided/(used) by operating activities		2,128,033	577,320	5,517,477	(306,020)
Cash flows from investing activities					
Additional invested capital in subsidiary		-	-	(5,616,366)	(8,101,065)
Interest received		63,748	213,167	11,285	193,970
Additions to property and equipment	13	(61,661)	(130,185)	(51,024)	(102,735)
FVTPL investments		(2,831,391)	-	-	-
Additions to investment property	11(b)(i)	(4,253,348)	(15,613,817)	(2,632,817)	(4,820,472)
Proceeds of disposal of furniture and equipment		-	1,501	-	-
Deposit on investment properties		(1,232,761)	-	-	-
Proceeds of disposal of investment property		1,431,473	1,412,187	-	-
Net cash used in investing activities		(6,883,940)	(14,117,147)	(8,288,922)	(12,830,302)
Cash flows from financing activities					
Interest paid		(519,835)	(438,608)	(165,641)	(105,834)
Dividends paid		(888,152)	(405,389)	(888,152)	(405,389)
Loans received		4,470,410	5,928,233	4,470,410	-
Loans repaid		(950,937)	(1,479,771)	(403,048)	(59,587)
Restricted cash		480,165	(359,838)	165	162
Treasury shares		(442)	(2,231)	(442)	(2,231)
Net cash provided/(used) by financing activities		2,591,209	3,242,396	3,013,292	(572,879)
Net (decrease)/increase in cash and cash equivalents		(2,164,698)	(10,297,431)	241,847	(13,709,201)
Cash and cash equivalents at beginning of year		4,871,737	15,169,168	684,039	14,393,240
Cash and cash equivalents at end of year	18	$2,707,039	4,871,737	925,886	684,039

SUMMARY OF FINANCIAL PERFORMANCE
(FINANCIAL YEAR ENDED DECEMBER 31, 2021)

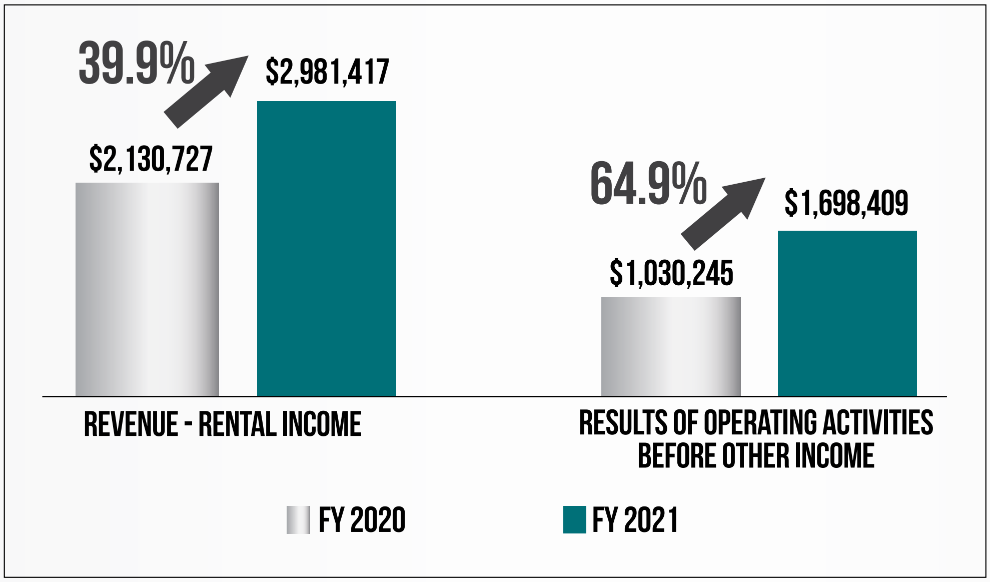
OVERVIEW OF THE GROUP

The Group's operating results continue to see improvement year on year (YOY) as at the end of the financial year 2021. The improved financial performance is also attributed to continued economic recovery spurred by reductions in some of the containment measures associated with the COVID-19 global pandemic and favourable vaccine rollout programmes in major global economies. In addition, a very buoyant homebuying market in the US has resulted in improved valuations on our condo portfolio allowing the Group to achieve gains on the disposal of condo units sold during the review period. This coupled with the strong tenant demand for our warehouse properties and maintaining steady tenancies in our office buildings in Jamaica and the Cayman Islands contributed to higher revenues and profits the year.

INCOME STATEMENT

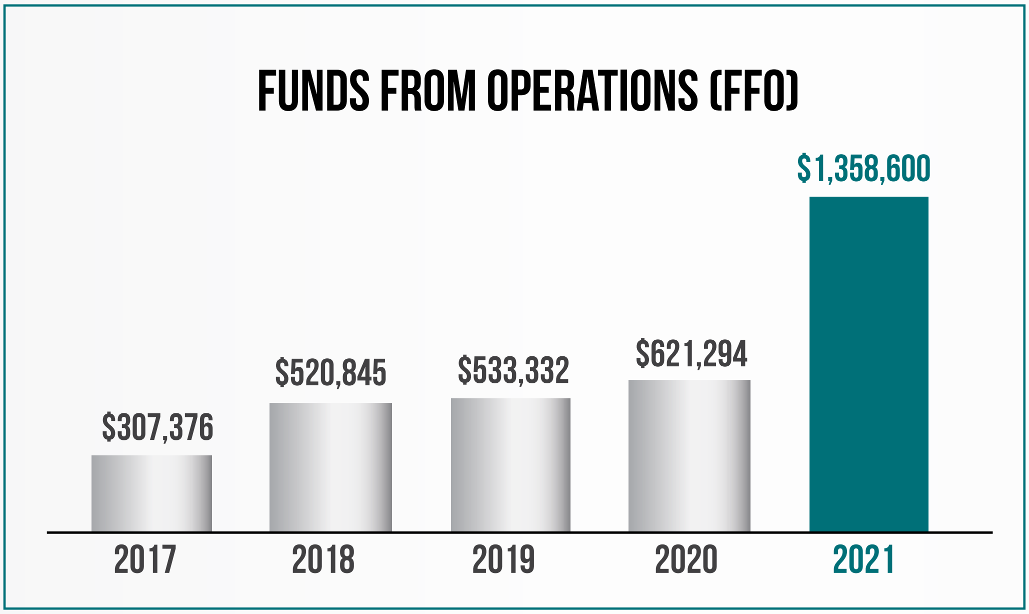
The Group posted a 39.9% increase in rental income to $2.9 million for the twelve months ending December 31, 2021, compared to $2.1 million for the same period in 2020. Net Operating Income, being total rental income less operating expenses, for 2021 increased by 64.9%, moving from $1.0 million for the same period in 2020 to $1.7 million. This was primarily due to the income generated from the additions to investment property made during the year.

Group operating expenses, including direct property expenses and administrative expenses, increased 16.6% year on year to $1.3 million. Direct property expenses (property taxes, homeowner's association (HOA) fees, repairs and maintenance, and property insurance) declined year over year by 21.4% in 2021, moving from $400,535 to $314,628. This was primarily attributed to the reduction in HOA fees and property taxes during the year resulting from the sale of condominium units in South Florida during the year.



The Group's EBITDA increased from $1.4 million in 2020 to $3.5 million in 2021. Net Profit for 2021 increased by 392.6% to $3.0 million compared to $612,725 for the previous year. Net profit for 2021 was bolstered by core rental income growth combined with fair value gains of certain properties in our portfolio, as well as gains from the disposal of several condo units during the year.

Funds from Operations for the financial year registered a year on year increase of 118.6% to $1.4 million.

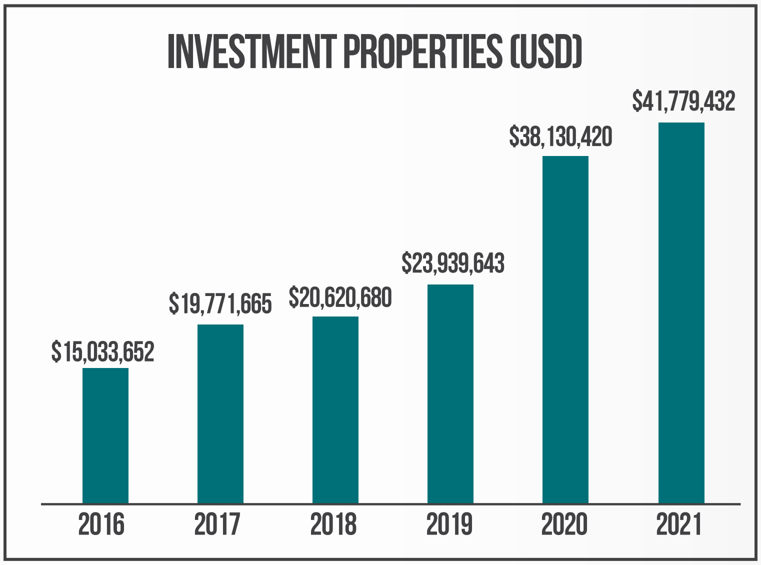


	SOURCE NOTES	YEAR ENDED DECEMBER 31, 2020 $	YEAR ENDED DECEMBER 31, 2021 $
Profit for the year, being total comprehensive income for the year.	See Statement of Profit or Loss and Other Comprehensive Income.	612,725	3,018,312
Increase in fair value of Investment Property	See Statement of Profit or Loss and Other Comprehensive Income.	(307,539)	(838,001)
Increase in fair value of other investments	See Statement of Profit or Loss and Other Comprehensive Income.	(85,219)	(534,553)
Finance Income	See Statement of Profit or Loss and Other Comprehensive Income.	(212,837)	(60,850)
Depreciation	See Supplementary Information to the December 31, 2021 Audited Financial Statements.	13,119	20,078
Foreign Exchange Losses	See Note 7 of 2021 Audited Financial Statements.	522,753	-
(Gain)/Loss on Disposal of Investment Property	See Statement of Profit or Loss and Other Comprehensive Income.	78,392	(246,386)
Funds From Operations		**612,394**	**1,358,600**

GROUP BALANCE SHEET

Investment Properties totalled $41.8 million as at December 31, 2021, versus $38.1 million as at December 31, 2020, an increase of 9.6%. The net increase results from the acquisition of the Dumfries Road office property, an office and warehouse property on 232A Spanish Town Road and a to-be-developed warehouse property in the Cross Road area, in Kingston, Jamaica. This was partially offset by the disposal of six condominiums in Florida in 2021.

Total assets as of December 31, 2021, amounted to $50.5 million, an increase of 10.7% over the $45.6 million balance as at December 31, 2020. The increase was driven primarily by properties acquired over the year combined with higher fair value improvements on properties in Jamaica, Cayman Islands and Florida. The Group also held cash and near cash holdings of $2.7 million, equity interests in real estate partnerships of $3.5 million and deposits on investment properties amounting to $1.2 million.



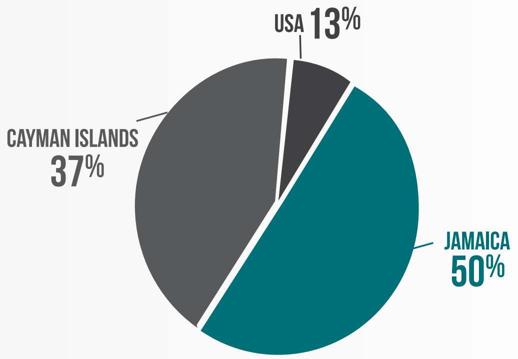
Total loans payable amounted to $17.2 million at December 31, 2021, compared with $13.7 million at December 31, 2020, representing a 25.6% year-on-year increase. The increased loan balance, which is primarily collateralized bank financing, was deployed to expand our operating asset base. These are all collateralized bank financing to facilitate the expansion of our property portfolio and are denominated both in US and Jamaican dollars from our financial partners in Jamaica and the Cayman Islands. Details on these loan facilities are set out in full at Note 21 of the Company's audited financial statements at Appendix 2.

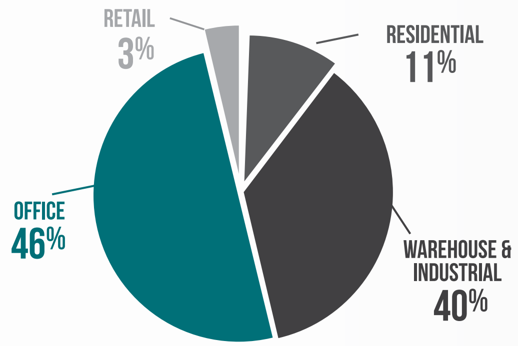
We continue to maintain fairly conservative debt ratios as part of our risk management strategy.

	FY2020	FY2021
Total Loans as % of Investment properties	36%	40%
Total Loans as % of Total assets	30%	34%
Total Loans as % of Total equity	45%	53%

Total Equity increased by 6.9% over the twelve months to December 31, 2021, moving from $30.5 million in 2020 to $32.6 million in 2021.

PORTFOLIO COMPOSITION BY GEOGRAPHY AND SUB-SECTOR



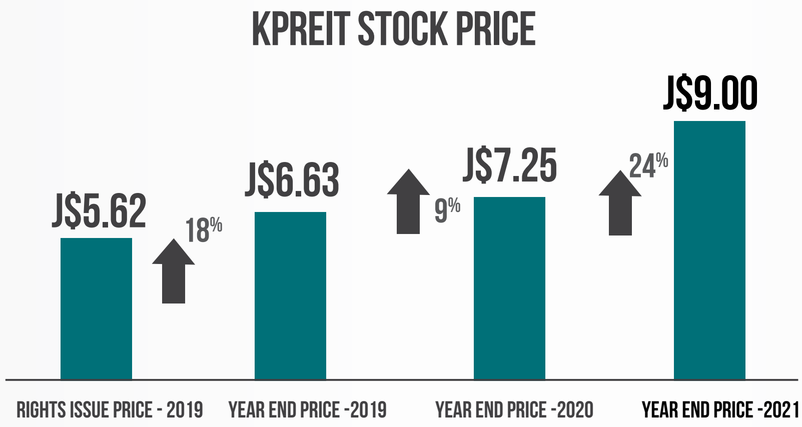


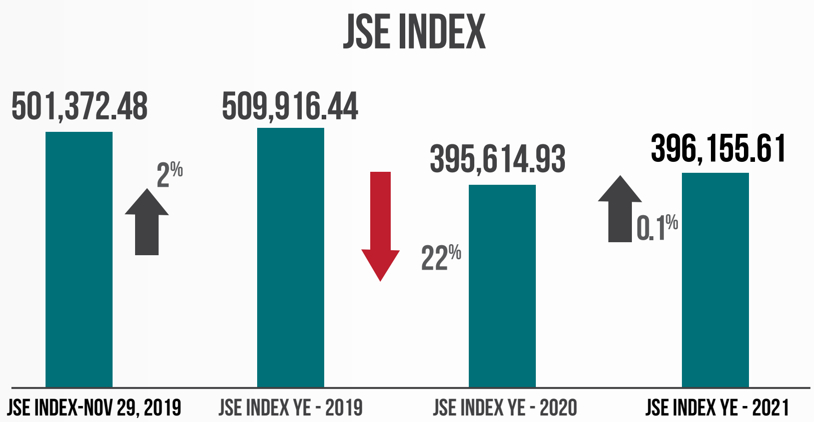
Impact of the COVID-19 Pandemic

The board and management continue to assess the impact on our operations of measures being used to curb the spread of the disease. Being more than a year and a half since the declaration of the global pandemic, we conduct periodic evaluation of the impact containment measures are having on our tenant base and devise mitigation strategies if needed. Occupancy levels and collections from our properties remain solid with greater than 95% of our tenants being current. With this prolonged period of economic distress the board approved a plan that required the Company to maintain sufficient cash resources to weather any shocks to our income and the need to meet debt service obligations and take advantage of any opportunistic deals that may arise.

Stock Price & Dividends

In a year that saw a relatively flat return of the JSE Main Index, the stock closed 2021 at a price of J$9.00 per share, representing a 24.1% gain compared to year-end 2020 and a 60% return on the price offered at the time of our rights issue in November 2019. During 2021, approximately $900,000 was paid to shareholders as dividends, representing the largest total dividends distributed in a single year since the Group's inception in 2008.

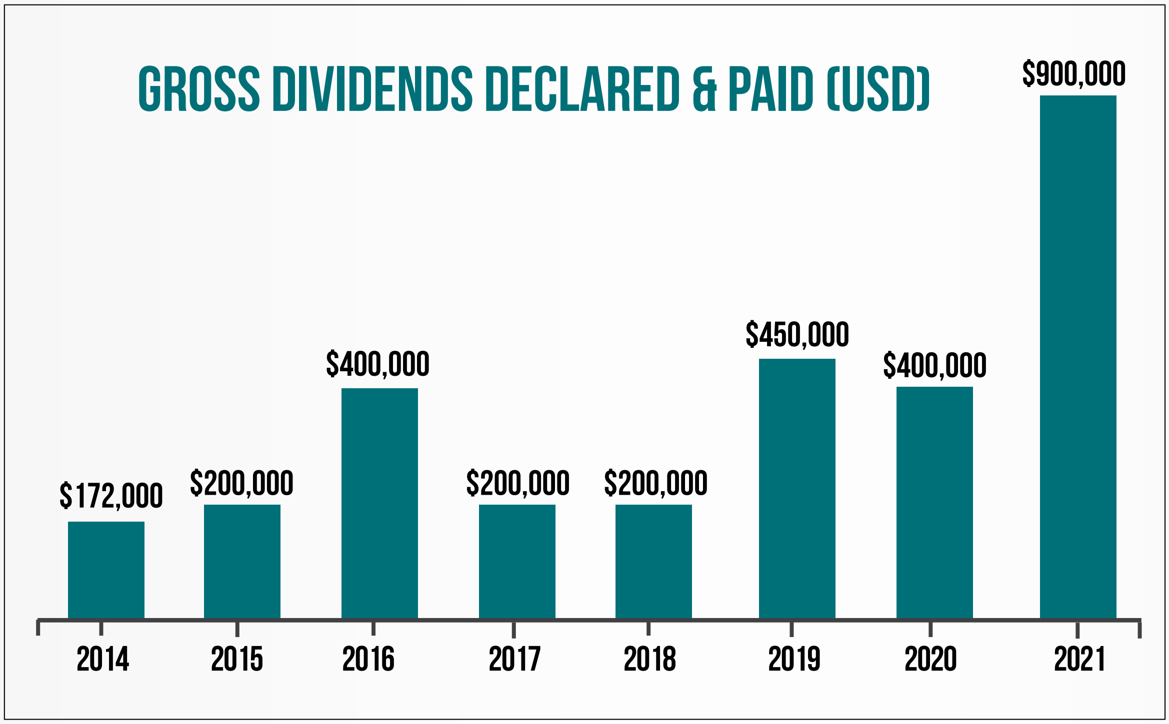




Since 2016, the Company's stock price has grown at an average annual rate of 19% and has cumulatively returned to shareholders $2.55 million in dividends.

* Adjusted for the 1:1 stock split in May 2017.

+ as at December 31, 2021

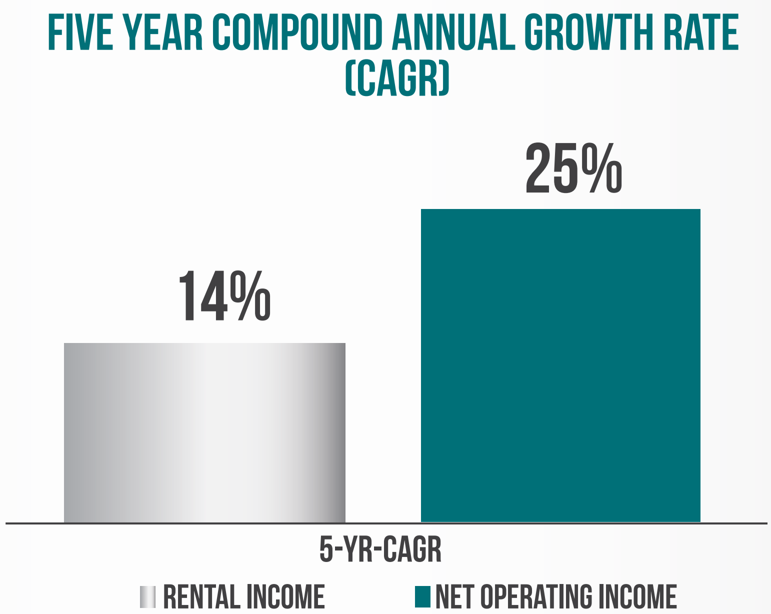


*(Rounded to the nearest $'000)

Summary and Outlook

Our strategy is based on building a more resilient business and to position for recovery in a post pandemic world. Whereas we have no clear view on exactly when a post pandemic era will occur, we anticipate that monetary authorities will continue to promote policies geared towards an economic recovery to pre-pandemic levels. Further, there is reasonable expectation that the economies which experienced robust growth prior to the pandemic will recover much faster in a post pandemic world and this augurs well for further growth in the real estate industry and improved returns for KPREIT going forward. We believe that Cayman will remain a solid market, and we continue to be optimistic about its economic resilience and ability to provide our portfolio with more competitive yields. With the continued growth in e-commerce, we remain bullish on industrial properties throughout the region, and especially in the markets we operate. The diverse nature of our tenant base and geographic dispersion continues to offer a level of resilience to our operating income.

Our divestment of the Florida condo portfolio will continue and this will result in a shift into multi-family properties to reduce valuation volatility and higher yields. We believe that the Group is well positioned to take advantage of any opportunities that arise due to a persistent pandemic environment by continuing to engage in a variety of fundraising activities. Both the board of directors and the management of the organization collectively agreed on a environmental sustainability imperative for 2021 which we have been implementing.



This has involved the preparation of our properties to achieve green certification by an internationally recognized organization in keeping with our mandate to play our part in combating climate change. Our work towards this goal began in 2020 with improvements of the air conditioning system at our Grenada Crescent property and efficient lighting solutions in all our properties to reduce energy consumption. Our target is to achieve full green certification for all our properties by 2024.

We are well on our way to achieving our key strategic imperatives set out two years ago and which will see us go boldly into new directions to continue to create shareholder value.

KPREIT PROPERTY PORTFOLIO

The value of investment properties held as at December 31, 2020 and December 31, 2021 respectively were as follows:

LOCATION	2020	2021
The Loft II, Condos	$945,087	-
Opera Towers	$337,592	$347,412
The W. Fort Lauderdale Condos	$1,785,000	*$2,070,064
591 Spanish Town Road Commercial Complex	$3,300,000	$3,200,000
36-38 Red Hills Road Commercial Complex	$5,520,000	$5,596,770
6 East Ashenheim Road Commercial Complex	$4,820,472	$5,314,252
52-60 Grenada Crescent Office Building	$5,403,093	$6,300,000
7 Dumfries Road Office Building	-	$1,246,816
232A Spanish Town Road	-	$1,524,909
Cross Road Development Site	-	$525,663
Tropic Centre One	$3,142,000	$3,163,182
Rosedale Warehouse	$2,106,562	$2,217,000
Harbour Centre	$10,770,614	$10,770,614
Sub-Total	**$38,130,420**	**$42,276,682**
OTHER PROPERTY INVESTMENTS		
CGI Fund I	-	$1,206,504
Polaris at Camp Creek	-	$2,244,659
Gum Tree 5 Development	-	$1,252,000
TOTAL	**$38,130,420**	**$46,979,845**

*- Includes a unit of The W Fort Lauderdale which was held for sale. See note 11 (g) in 2021 Audited Financial Statements

USA

THE W FORT LAUDERDALE

The **W Fort Lauderdale** is a part of the Starwood Hotel Group and offers luxurious amenities to residents and guests. The units are a mix of one and two bedrooms on the 6th and 8th floor, ranging in size from 804 square feet to 1,283 square feet. As at December 31, 2021 we held three units which were previously acquired in October 2015. Since then the one bedroom unit was sold and we currently hold two two bedrooms units at the **W Fort Lauderdale**.

LOFT 11 BUILDING, DOWNTOWN MIAMI

At the beginning of 2021, the Group held 5 units representing a mixed of one- and two-bedroom units on floors ranging from the 31st to 35th. As at December 31, 2021, all units were disposed. The units were acquired in March of 2010 and range in size from 620 to 1,041 square feet for a total footprint of approximately 3,800 SF.

OPERA TOWER, DOWNTOWN MIAMI

Opera Tower is a 55-floor condominium high-rise building located in what is known as the Media and Entertainment district in Miami. The property is in close vicinity to the American Airlines Centre and the Miami Arts Museum as well as the Margaret Pace Park. We own a 1,048 square foot two-bedroom unit in the building, which we bought in April 2016.

POLARIS AT CAMP CREEK, GEORGIA

The property comprises of 155 units with a mix of one, two and three bedrooms. It is approximately 185,000 square feet of space. The acquisition was made in July 2021 of which the Group owns a stake of approximately 38%.

36 - 38 RED HILLS ROAD

The 49,871 square foot Office and Warehouse complex on Red Hills Road in Jamaica has longstanding tenants who form a diverse base of businesses and sizes. The building's proximity to Half Way Tree Road in Kingston remains one of the main drivers for the strong occupancy. The property was acquired in December 2011.

591 SPANISH TOWN ROAD

The 56,897 square foot property is an office and warehouse complex on Spanish Town Road that was acquired in January 2017. The property is leased to operators of manufacturing, distribution and logistics businesses that have operated in Jamaica for decades in the same location. The property is located along a corridor slated for continued infrastructure development.

52 - 60 GRENADA CRESCENT

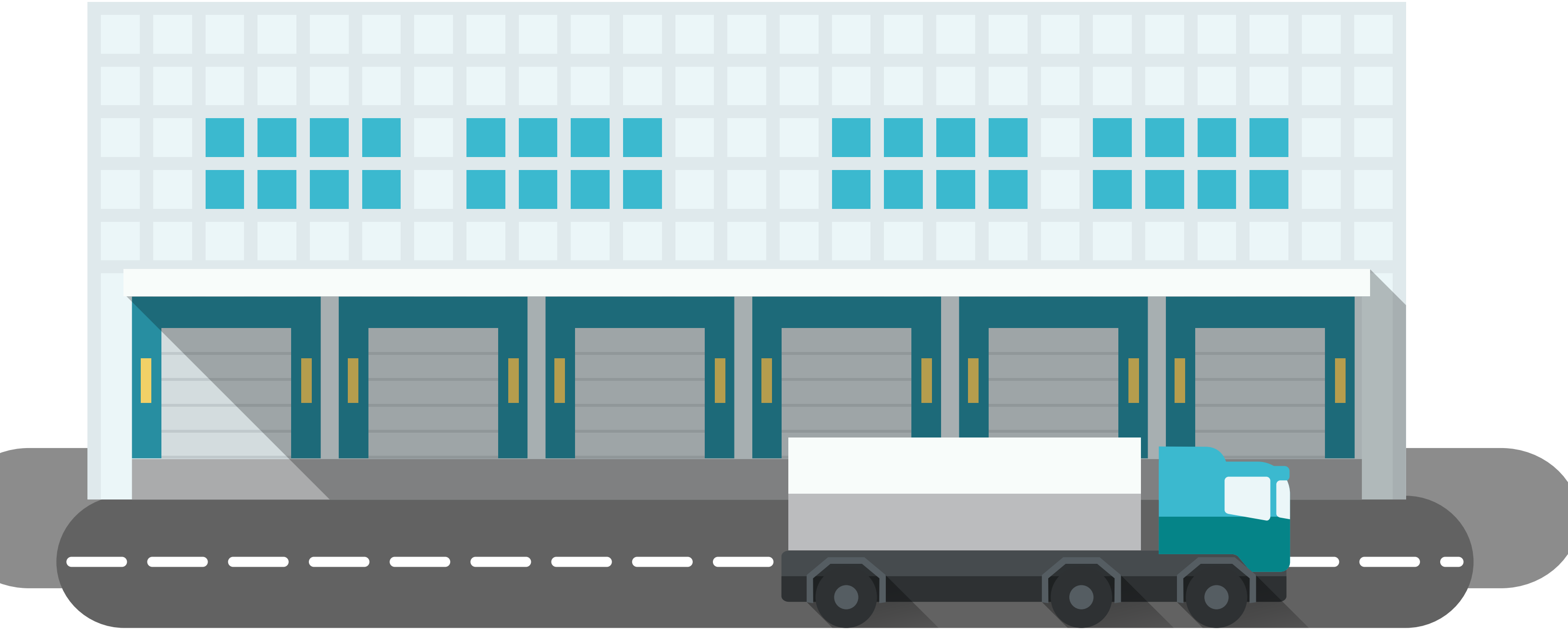
Acquired in November 2018 this is a 31,741 sq.ft. multi-story office building in New Kingston, Jamaica. The Property has been undergoing a renovation exercise and is now fully leased exclusively to Government tenants.

6 EAST ASHENHEIM ROAD

In September of 2020, the Group acquired an approximately 88,000 SF warehouse property on four (4) acres of land in Kingston's Industrial belt. The Property is currently undergoing extensive rehabilitation work and houses tenants in the manufacturing and distribution sectors.

7 DUMFRIES ROAD PROPERTY

This is a small office building located on 20,000 square feet of land and is slated for development into a multi-story office building.



CROSS ROAD DEVELOPMENT SITE

An approximately 1.5-acre property in the Cross Roads area that will be developed to house small bay warehouse units.

232A SPANISH TOWN ROAD

A 23,616 square feet office and warehouse property located on approximately 2.7 acres along a major industrial thoroughfare in Kingston, Jamaica.

CAYMAN ISLANDS

TROPIC CENTRE ONE

This is a 10,172 sq. ft. mixed-use building located in the West Bay Beach South area in the Cayman Islands. The building comprises offices, retail outlets and residences along the famous Seven Mile Beach corridor, an area that has seen significant infrastructure improvements, as well as new luxury resort and condominium developments over the last four years. The property was acquired in January 2017.

ROSEDALE WAREHOUSE

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

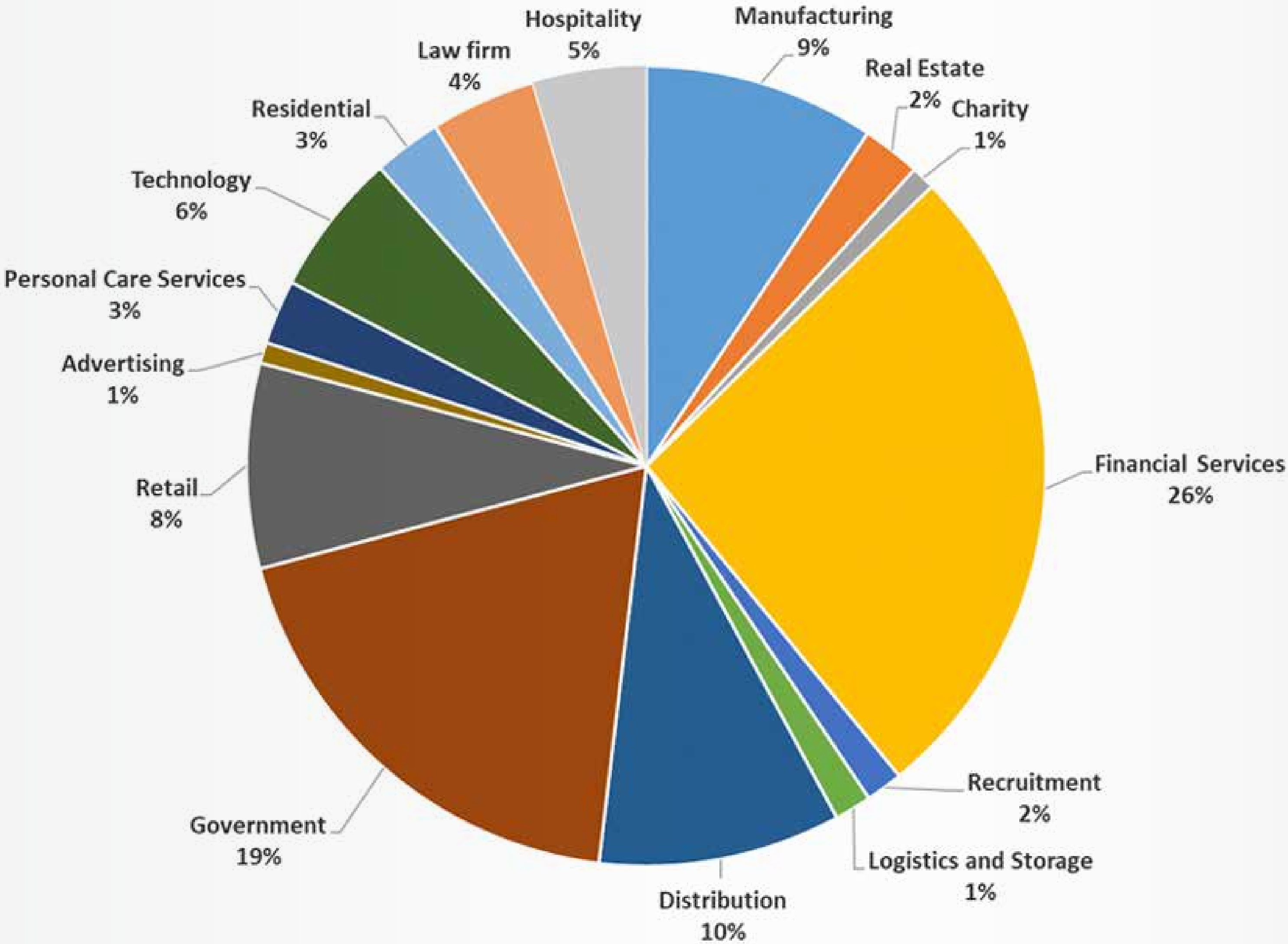
HARBOUR CENTRE

In July 2020 we completed the acquisition of Harbour Centre, a 30,639 sq.ft. multi-story office building in the Cayman Islands. The property is 100% leased to firms in the following sectors: Banking and Funds Administration, Law, Real Estate Investment, Government and Retail.

RENDERING OF GUM TREE 5

Multi-unit Mixed-use Commercial Complex, Cayman Islands.

DISTRIBUTION OF TENANTS BY SECTOR AND REVENUE AS AT DECEMBER 31, 2021



PROPERTY PORTFOLIO OCCUPANCY RATES AS AT DECEMBER 31, 2021

PROPERTY	OCCUPANCY
Opera Tower	100%
W Ft Lauderdale	100%
591 Spanish Town Road	100%
36-38 Red Hills Road	100%
6 East Ashenheim Road	66%
52-60 Grenada Crescent	100%
7 Dumfries Road	100%
Tropic Centre Road	100%
Rosedale Warehouse	100%
Harbour Centre	100%

ECONOMIC OVERVIEW

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

US Economy

According to the Bureau of Economic Analysis, the US economy, measured by real gross domestic product (GDP), grew at an annual rate of 2.3 percent in the third quarter of 2021, following an increase of 6.7 percent in the second quarter.[1] The improvements over 2020 have largely been spurred by increased consumer demand arising from various government stimulus packages since the onset of the pandemic.[2] This positive trend is expected to continue to the end of 2021 and the near future especially in light of the recent passing of a US$1.7 trillion infrastructure bill by the US House of Congress.[3]

US inflation rose by 0.5% in December 2021 and 7% on an annual basis.[4] Higher inflation has become a feature of the global economy in light of the containment measures adopted to curb the spread of the coronavirus and the resultant disruption to global supply chains and spikes in energy costs. The unemployment rate fell to 3.9% at the end of December 2021, coming down from 6.7% in December 2020 and a peak of 14.8% in April 2020[5], suggesting that the job market consolidated its recovery as the economy further reopened. A steady decline in the number of daily coronavirus cases due to a higher percentage of the eligible population being fully vaccinated[6] has allowed authorities to lift restrictions on businesses, but the supply of available workers has begun to lag the demand hence employers have found it difficult to bridge the resulting gap. With the decline in government assistance programmes in the form of forgivable loans to businesses, grants to state and local governments, and especially social benefits to households[7], the numbers employed will likely rise as persons return to the workforce.

Jamaican Economy

The Jamaican economy experienced growth in the third quarter of 2021, with GDP expanding by 5.8% when compared to the similar quarter in 2020. This resulted from improvements in both the services and goods producing sectors showing recovery versus the 2020 figure, when the Government had implemented measures to curtail the spread of the novel coronavirus.[8] The increase in GDP was most evident in the Hotels and Restaurants, Construction, Retail, Agriculture and Manufacturing sectors. By comparison, the Statistical Institute of Jamaica (STATIN) also reported that the economy is estimated to have declined by 10.7% during the third quarter of 2020. Looking forward, the International Monetary Fund (IMF) is projecting economic growth for the 2021/2022 fiscal year to be in the region of 8.25% and thereafter record 3.5%.[9] Tourism, which is Jamaica's largest earner of foreign exchange and the second largest employer in the country, has shown signs of recovery, earning US$1.31 billion.[10] As a result, the rebound in the sector has been seen as the driving force behind Jamaica's economic recovery. According to Tourism Minister Edmund Bartlett, "Based on our run rate forecast of visitor arrivals for June 2021, Jamaica would have received an estimated total of 816,632 visitors since reopening in June 2020. Of the total visitor arrivals, 510,359 or 62%, came to Jamaica since January 2021." [11]

There was a 7% decline of the monthly average USD: JMD exchange rate for the twelve-month period ended December 2021, moving from J$144.41: US$1.00 in December 2020 to J$155.15: US$1.00 in December 2021.[12] The decline is attributed to lower supplies of hard currency over the review period brought on by reduction in tourist arrivals relative to the pre-pandemic period and increased demand stemming from a boom in online shopping. Inflation for the calendar year to date to December 2021 stood at 9.1% while the point-to-point inflation rate to December 2021 stood at 7.3%.[13] The increase was largely driven by the Food and Non-Alcoholic Beverages category because of higher prices on some agricultural produce.

The unemployment rate stood at 7.1% as at October 2021 according to STATIN, this represents 3.7 percentage points lower than the figure recorded twelve months prior.[14] The decline in the unemployment rate occurred even with an increase in the size of the labour force by 6.6% year on year. The Construction, Real Estate and other Business Services, and Art, Entertainment, Recreation and Other Services groups recorded the largest increases in persons representing part of the employed labour force. Unemployment is expected to decline over time and with further easing of restrictions and other initiatives by the Government of Jamaica, employment figures could return to pre-pandemic levels in early 2022.[15]

Cayman Islands Economy

Latest available data indicate that the Cayman Islands economy contracted by an estimated 6.7% in 2020, as measured by GDP in real terms, this is compared to growth of 3.8% in 2019.[16] The average annual growth rate for the Cayman Islands for the five-year period prior to the pandemic was 3.5%. Indicators suggest that the contraction in economic activity for the year was broad-based with significant declines recorded in Hotels and Restaurants (-76.6%), Other Services (-23.2%), Wholesale and Retail trade (-4.3%), and transport, storage, and communication (-14.4%). The Financing and Insurance services sector, which remains the largest contributor to GDP, remained relatively flat year on year, while increases were recorded for Health and Social Work (15.7%), Producers of Government Services (7.2%) and Real Estate (1.3%) for the period.[17] Economic activity for the year was negatively affected by the closure of Cayman's borders which began in the latter half of March 2020 and led to general declines in stay-over and cruise passenger arrivals. This contraction was however offset by an increase in domestic business activity starting in the third quarter of 2020 due to the removal of some restrictions. Prospects appear brighter going forward as tourism recovers and the Government makes progress in the reopening of the economy. The Premier, Wayne Panton, announced in early July 2021 a five-phase reopening plan that has seen Cayman's borders being opened to stay-over tourists and other groups starting from September 2021.[18] This is possible given the high rate of vaccination of the most vulnerable and at-risk residents. Debt rating agency Moody's has maintained Cayman's AA3 rating citing Cayman's 'prudent government planning' that has left them with the fiscal space to deal with the economic impact of the pandemic.[19] Forecasts by the Cayman Islands Economics and Statistics Office (ESO) show growth of 5.1% in 2021 and of 4.3% and 3.1% in subsequent years.[20]

Inflation rose by 1% in 2020 compared to 6% in 2019, largely a function of lower aggregate demand as the domestic population shrank, as well as reduced economic activities due to the pandemic containment measures.[21] The Cayman Islands is one of the leading financial centres of the world, offering a tax-free environment with no property, income, corporation, or capital gains taxes. However, from the onset of the pandemic, many persons left the island, while some others stopped searching for jobs resulting in a 10.5% drop in the labour force and an overall increase in the unemployment rate to 5.2% in 2020 compared to 3.9% in 2019.[22] Benchmark interest rates continued its downward trend seen since August 2019 and fell to 3.25% p.a. in March 2020 where it remains currently.[23]

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1 https://www.bea.gov/data/gdp/gross-domestic-product
2 https://www.wsj.com/articles/house-set-to-approve-covid-19-relief-bill-11615372203
3 https://www.cnbc.com/2021/11/05/house-passes-bipartisan-infrastructure-bill-sends-it-to-biden.html
4 https://www.bls.gov/news.release/archives/cpi_01122022.htm
5 https://tradingeconomics.com/united-states/unemployment-rate
6 https://covid.cdc.gov/covid-data-tracker/#vaccinations_vacc-total-admin-rate-total
7 https://www.bea.gov/news/2021/gross-domestic-product-3rd-quarter-2021-advance-estimate
8 https://statinja.gov.jm/PressReleases.aspx
9 https://jamaica-gleaner.com/article/news/20211117/imf-predicts-economic-growth-more-eight-cent-jamaica
10 https://caricom.org/jamaica-tourism-sector-rebounds-caricom-business/
11 https://caricom.org/jamaica-tourism-sector-rebounds-caricom-business/
12 https://boj.org.jm/market/foreign-exchange/average-exchange-rates/
13 https://statinja.gov.jm/
14 https://statinja.gov.jm/PressReleases.aspx
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16 https://www.eso.ky/UserFiles/page_docums/files/uploads/the_cayman_islands_annual_economic_repor-5.pdf
17 https://www.eso.ky/UserFiles/page_docums/files/uploads/the_cayman_islands_annual_economic_repor-5.pdf
18 https://www.caymancompass.com/2021/07/08/live-chamber-of-commerce-legislative-luncheon/
19 https://www.moodys.com/research/Moodys-affirms-the-Cayman-Islands-Aa3-ratings-maintains-stable-outlook-PR_443266
20 https://caymanresident.com/about/caymans-outlook
21 https://www.eso.ky/UserFiles/page_docums/files/uploads/the_cayman_islands_annual_economic_repor-5.pdf
22 https://www.eso.ky/UserFiles/page_docums/files/uploads/the_cayman_islands_annual_economic_repor-5.pdf
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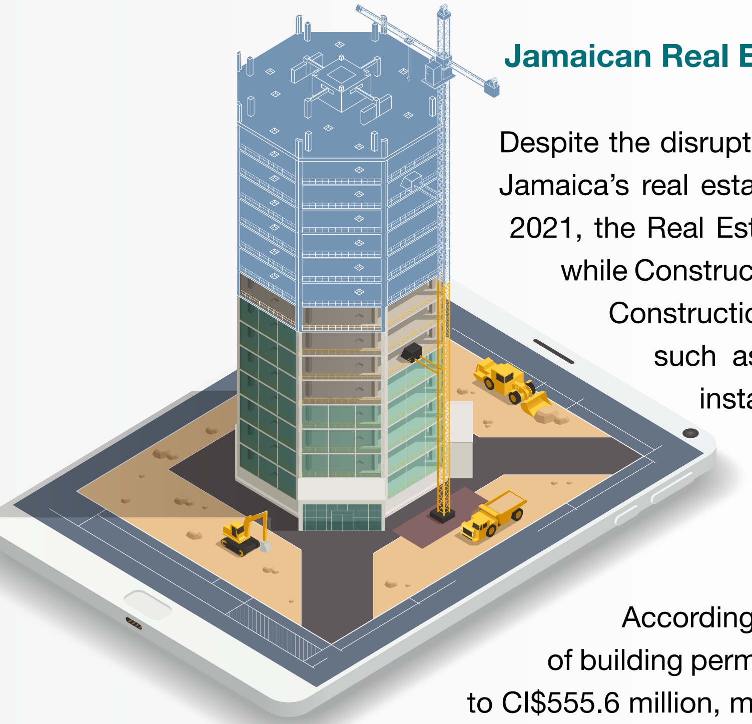
REAL ESTATE MARKET OVERVIEW



Jamaican Real Estate Market

Despite the disruptions that the COVID-19 pandemic has brought globally, Jamaica's real estate market remains buoyant. For the second quarter of 2021, the Real Estate Renting and Other Business sector grew by 5.2%, while Construction improved year on year by 17.4%.[24] The growth in the Construction category saw improvement in all the areas measured such as building construction, civil engineering and building installations. Relatively low borrowing rates continue to keep demand high resulting in an active market.

Cayman Islands Real Estate Market

According to the Economics and Statistics Office (ESO), the value of building permits in Grand Cayman in 2020 rose year on year by 88.1% to CI$555.6 million, mainly due to a number of commercial projects. However, the value of planning approvals remained relatively flat year over year at CI$883.2 million.[25] Emergency pension withdrawals and international buyers boosted the local real estate industry in 2020. According to real estate firm RE/MAX Cayman Islands, total sales volume in 2020 increased by 4.3% year on year to US$666.5 million, despite a 17.5% drop in the number of transactions, from 831 to 686. The average transaction value grew significantly last year over 2019, from US$769,289 to US$971,546 representing a 26.3% increase year on year.[26] Despite Cayman's tourism industry effectively shuttering, there has been international interest in the island's real estate market spurred by government incentives such as the Global Citizens Concierge programme[27] and the granting of residency rights through real estate investments.[28]

South Florida Real Estate Market

Total home sales in Miami-Dade County registered a 35.5% year-over-year increase in the 3Q 2021, from 7,351 to 9,962, just lower than the 11,553 total sales recorded in 2Q 2021. In 3Q 2021, single-family home transactions rose 2.2% to 3,923, while existing condo sales increased 72%, from 3,512 to 6,039.[29] According to Jennifer Wollmann, the Chairman of the Miami Realtors Association, the increased availability of remote work and accelerated migration to South Florida coupled with relatively lower home prices compared to other markets spurred the demand. The lack of inventory in certain price points has also had an impact on sales, particularly for single-family homes.[30]

For the third quarter ended September 30, 2021, existing condo median prices rose 26.9% year-over-year, from $264,000 to $335,000.[31] The median time to contract for existing condos as at 3Q 2021 was forty (40) days, a 44.4% drop from seventy-two (72) days in 3Q 2020. The median time to sale for existing condos over the same review period decreased 26.7%, from 116 to 85.[32]

Coldwell Banker Richard Ellis (CBRE) estimates that the pace of hiring in the US will continue which will further bolster household formation. Persons who opted to stay with friends and family during the jobless period of 2020 and the heights of the pandemic are likely to return to the workforce and that should boost the demand for apartments. Multifamily properties in the affordable category are expected to continue to see low vacancy rates and rent growth going forward.[33]

Atlanta Real Estate Market

According to the Atlanta Realtors Association, during 2021 average and median sales prices recorded improvements over comparable 2020 figures. The median sales price in September 2021 was $359,000, an increase of 15.8% when compared to September 2020, while the average sales price was $429,500, up 14.5% from the previous year. Atlanta area housing inventory totalled 9,202 units in September 2021, a decrease of 27.8% from September 2020 while new listings totalled 7,998, down 8.4% from September 2020.[34] The multi-family market in Atlanta according to commercial real estate firm, Marcus and Millichap, remains strong buoyed by growth in the city's population of young adults between the ages of 20 and 34 years old.[35] Given the rise in median home prices in that market, this group has been priced out and will continue to rent. This has pushed vacancy rates below 4% marking the lowest rate since 2000 and augurs well for rent growth in this subclass due to limited inventory.

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8. CORPORATE GOVERNANCE STRUCTURE

8.1. For more than a decade, KPREIT has pursued its mission to be the premier real estate investing company in Jamaica, and has demonstrated a strong commitment to implementing and adhering to good Corporate Governance practices to strengthen and maintain confidence in the Company. We are keenly focused on optimal long-term value creation to the benefit of our shareholders and other stakeholders. Our corporate governance framework's main objective is to regulate the division of roles between shareholders, the board, and executive management more comprehensively, going beyond the minimum requirements outlined by any legislation/ regulatory framework.

8.2. KPREIT's corporate governance principles are built on the following core elements:

- equity in the treatment of all shareholders
- transparent, regular and relevant communication to shareholders, governmental/ regulatory bodies and the public about the Company's activities and its corporate governance commitment
- maintaining independence of the Board and the Company's executive management team and ensuring a clear and properly documented division of responsibility between the Board and the executive management
- the Board being comprised of at least one third independent members (see paragraph 8.9 for definition).
- consistently monitoring the Company's operations to detect and resolve any potential scenarios which may result in conflicts of interest between the interests of its shareholders, the members of its Board and its executive Management

8.3. The Company periodically reviews its policies and codes of conduct to ensure adherence to our core values and a high level of operational transparency for our shareholders' benefits. We remain committed to open and active engagement with our stakeholders through our website; annual reports; stock exchange filings and news releases through traditional and social media as well as electronic mail; annual general meetings, investor briefings and our weekly newsletter.

Board of Directors

8.4. The Company's corporate governance structure is headed by its Board of Directors. The Company's process for selecting and reviewing directors is done annually and aligns with the JSE regulations and the PSOJ Corporate Governance Code. The Company's Corporate Governance documents can be accessed at our website at **www.kpreit.com.**

8.5. Directors are selected based on a combination of expertise, judgment, character and independence. The Board ensures that the Company's vision and mission are fulfilled in the interest of shareholders. Their oversight is critical in supporting the executive management team to meet strategic objectives and consistently monitor policies, laws and regulations for any potential challenges. The Board also plays a key role in reviewing the Company's internal control processes to guarantee that long term shareholder value is maintained.

8.6. During the last financial year, as customary, the Board conducted its annual review of the Company's governance systems and structures, including internal controls, business continuity, communication policy and risk management policy and framework, and our compliance with the Private Sector Organization of Jamaica (PSOJ) Corporate Governance Code. The Board also monitored the related areas of risk and financial performance, business operations, and adherence to regulatory and legal requirements to ensure continued growth in shareholder value. The Board also reviewed the Company's performance on the JSE Corporate Governance Index which saw the Company with a rating of BB and a rating score of 78%.

8.7. The main Board activities included the following:

STRATEGIC IMPERATIVES	PERFORMANCE & CONDUCT	ORGANIZATION AND ACTIVITY
- Reviewing the Company's strategic plans as presented by the Executive - Applying proper consideration and judgment in arriving at decisions which balances the interests of all stakeholders - Providing appropriate channels and systems for the report of activities that would not be compliant with the laws of the land or agreed policy - Adhering to good governance principles and practices to the benefit of all stakeholders	- Conducting risk management assessments on the Company's operations - Monitoring related party transactions to ensure that they are undertaken on normal commercial terms and are not prejudicial to the interests of the shareholders	- Reviewing and monitoring the policies of the Company periodically - Reviewing (and updating where necessary) internal control mechanisms established to ensure accuracy and transparency in the Company's operations - Maintaining compliance with regulatory requirements - Reviewing the approval process for new property acquisitions or disposals in line with established guidelines

8.8. The Board of Directors meets monthly to provide the requisite oversight by virtue of the diverse markets within which KPREIT operates. At each meeting of the Board of Directors, each Director receives Minutes, Management Accounts and comprehensive reports detailing the operations of the Company, and the portfolio of assets. Where necessary, the Board has met more frequently to address critical issues.

Board Composition

8.9. There are three broadly defined categories of directors:

Independent Director	A member of the Board who is (i) not employed by the Company or has not been a staff member for at least five years prior to their appointment to the Board and (ii) not related to any employee of the Company
Non-Executive Director	A member of the Board who receives no remuneration from the Company save and except for board attendance fees or dividends from their personal shareholdings in the Company
Executive Director	A member of the Board who is employed as part of the executive management of the Company

8.10. The rules governing the composition of the Board are as follows:

- the Chairman of the Board should be a non-executive Director
- the Board should be comprised of Directors with a range of commercial and financial experience including expertise in real estate, asset management, law and financial management; and
- at least one-third of the Board should be comprised of Independent Directors.

8.11. The composition is reviewed annually to ensure that the Board of Directors has the appropriate mix of expertise and experience. As at the date of publication of this Prospectus, the Board is currently comprised of seven (7) directors, all of whom are Non-executive and Independent. The Board is chaired by Mr. Garfield Sinclair. The Chief Executive Officer of the Company is not a member of the Board but is the accountable officer in the management of the Company and is responsible for the execution of the board approved strategies which are primarily geared at protecting and improving shareholder value.

8.12. The Company maintains a transparent and equitable remuneration policy for its board members. All non-executive directors are eligible to be paid board fees. The Board now has seven (7) non-executive directors and all directors (including the Chairman) are paid US$2,550.00 per quarter. There are no fees paid for attending committee meetings and there is no retainer. Directors do not participate in any share option plan or any incentive scheme. For the financial year ended December 31, 2021 a total of US$63,750 was paid to members as Board fees.

Committees of the Board

8.13. The Committees comprise directors from the main Board, one co-opted member (who sits on the Audit Committee) and the CEO. Each Board committee is constituted under a charter which outlines the roles and responsibilities of each committee and its members. The committees assist in the governance of the Company.

8.14. The Committees are as follows:

Corporate Governance & Nominations	Primarily responsible for dealing with all corporate governance issues and making recommendations to the Board. Chaired by Director Lisa Gomes and comprises three members, all of whom are independent non-executive directors. The Committee met twice during the last financial year.
Audit	Monitors and evaluates the effectiveness of the Company's internal control systems. The Committee also reviews the accuracy of information prepared for inclusion in financial reports and is responsible for the nomination of external auditors and checks the adequacy of external audits in respect of cost, scope and performance. The Committee is composed of three non-executive directors, all of whom are identified by the Board as independent, and a co-opted external member. The committee meets quarterly and is chaired by Director Garfield Sinclair.
Human Resources & Compensation	Oversees and provides guidance on employee and compensation matters of the Company. The Committee is composed of the Board Chairman and Company Secretary and meets at least once per year or as is needed.
Investment & Risk Committee	Provides oversight on the investment and financing strategy for the Company's assets and ensures compliance with agreed policy and targets. The Committee is comprised of three directors and is chaired by Director Peter Reid.

Director Training

8.15. At each board meeting, management provides directors with various real estate markets trends and outlook reports. Additionally, they are provided with macroeconomic updates on the jurisdictions in which the Company owns property or is targeting for acquisition. There is also an annual training programme designed for new Directors, current Board Members and company executives.

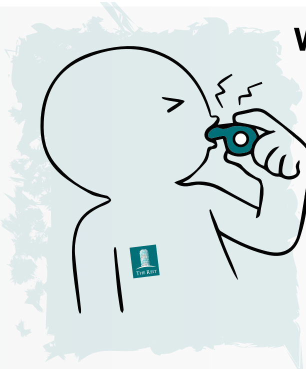
Internal Audit

8.16. The Company places great emphasis on the monitoring and management of risks primarily through oversight by both the Audit Committee and the Investment Committee.

Conflicts of Interest and related party transactions

8.17. Every Director, in exercising their powers and discharging duties, is expected to act ethically, with integrity and in good faith for the best interest of the Company and its shareholders. The Board recognizes that private and/or personal interests can impact a Director's ability to make objective decisions in the best interests of the Company. Directors are therefore required to avoid conflicts of interest and even the appearance of such conflicts. The Company's Conflict of Interest Policy provides a transparent framework to guide individual directors and each year, directors are required to sign a Conflict of Interest Statement. A copy of the Company's Conflict of Interest policy is available on our website at www.kpreit.com.

Whistleblower Policy



8.18. Despite a small staff complement, the Board of Directors seeks to create a culture of open communication between staff, management and the Board. This culture also extends to our outsourced service partners who through participation in meetings of board committees routinely engage in dialogue with Board members. Our service partners are encouraged to speak candidly on any issue of concern including legal or regulatory breaches, non-compliance or inconsistencies in reporting by accountants, auditors or the executive. The Board approved a formal policy during the financial year 2019.

Dividend Policy

8.19. As part of the mission and vision to operate using accepted best practices of real estate investment trusts globally, the Company's policy is to pay up to 90% of its total funds from operations in dividends to shareholders on record. The declaration of dividends is at the absolute discretion of the Board of Directors of the Company and dividends are subject to available cash flow and any need the Company may have, from time to time, to reinvest earnings as part of its growth strategy. The Board reviews the level of payout of dividends on an annual basis with the intention of increasing the payout level in line with the standard for REITs globally. Dividends therefore may be paid twice annually, with the final dividend being paid once audited financial statements have been submitted to the JSE. During 2021, approximately 30% of net profit and 65% of Funds From Operations was paid out to shareholders as dividends.

Communication with Shareholders

8.20. The Company maintains a policy of regular communication with our key stakeholders such as, shareholders, the Stock Exchange, our financiers and prospective investors to ensure that they are well informed about the activities and performance of the Company. The Company usually receives timely feedback from stakeholders. The main communication channels are via **(i)** the Company's website, **(ii)** our annual reports and quarterly financial reports, and **(iii)** the various disclosures and announcements to the JSE that are also sent electronically via email to shareholders and the media.

We remain very responsive to shareholders' questions and comments and these are easily facilitated via email, telephone and social media. The Company continues to provide real estate news to shareholders and the general public on current market conditions and trends from real estate markets around the world as it has done since 2010, through our weekly newsletter. Beginning in 2020, we extended our digital footprint to social media in order to reach a wider market. KPREIT's social media channels continue to grow with increased activity and a cohesive content strategy that has resulted in over 1,000 new followers. These activities support our tagline, ***"…gateway to global real estate investing."***

Corporate Social Responsibility

8.21. The Company is committed to the principles of Corporate Social Responsibility and engages in a series of programmes that are designed to give back to the communities in which the Company operates. The Company adopts a policy of ensuring that all business transactions, deals and relationships with our customers, suppliers and partners are transparent, ethical, and executed in accordance with high corporate governance standards.

8.22. Our mandate is to ensure that our employees operate with integrity, honesty and respect towards every individual with whom they interact regardless of class, race, gender, and socioeconomic background. We monitor and ensure that our business activities comply with the spirit of the law, accepted ethical standards and international norms.

8.23. We are firm believers in development through inclusion, equity and access. Jamaica, as a part of the Caribbean Community (CARICOM), is home to one of the world's youngest populations and so we strategically focus on programmes that target youth and help to create positive engagement. They are both the leaders of now and the future.

8.24. Volunteerism forms a big part of our company culture. Our team supports local communities and vulnerable groups through giving of their time, talents and as a company, donations to charitable organizations. In addition to education and youth development, we have supported several environmental projects and social impact initiatives geared towards environmental protection and sustainability.

9. RISK EXPOSURES & RISK MANAGEMENT STRATEGIES

9.1. The inherent nature of risk in commercial Real Estate investments makes it a critical factor in the operations of our business, as ultimately there is an impact on overall shareholder value. The Board of Directors therefore remains focused on the various types of risks which may directly or indirectly affect the operations of the Group with varying levels of materiality. Diversification of property type and geography remains one of the strategies that the Group pursues to effectively manage risk. Our real estate investments and geographic diversity (also diversified by commercial and residential segments) comprise a diverse mix of tenants.

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

Economic Risks

9.3. Adverse economic conditions and dislocations in the credit markets could have a material effect on our results of operations, financial condition and ability to pay distributions to our shareholders. Our business may be affected by market and economic challenges experienced by the economy or real estate industry, including the impact of high unemployment and by a sudden downturn in international economic conditions. These conditions, or similar conditions existing in the future, may adversely affect our results of operations in the following ways:

9.3.1. The financial condition of our tenants may be adversely affected, which may result in tenant defaults under leases due to bankruptcy, lack of liquidity, operational failures or for other reasons.

9.3.2. Our ability to borrow on terms and conditions that we find acceptable, or at all, may be limited. This could reduce our ability to pursue acquisition and development opportunities, reducing our returns from our acquisition and development activities, and increasing our future interest expense.

9.3.3. Reduced values of our properties may limit our ability to dispose of assets at attractive prices, obtain debt financing secured by our properties and may reduce the availability of unsecured loans.

Asset and Industry Risks

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

9.4.1. Downturns in the economic conditions of the markets in which we own properties, such as declines in GDP and employment levels

9.4.2. Changes in interest rates and availability of financing

9.4.3. Competition from other office, retail and residential buildings

9.4.4. Real estate market conditions, such as oversupply or reduction in demand for retail or residential space in the markets in which we operate or intend to operate

9.4.5. Vacancies, changes in market rental rates and the need to periodically repair, renovate and re-let space

9.4.6. Changes in space utilization by our tenants due to technology, economic conditions and business culture;

9.4.7. Increased operating costs, including insurance expense, utilities, real estate taxes, state and local taxes and heightened security costs;

9.4.8. Significant expenditures associated with each investment, such as debt service payments, real estate taxes, insurance and maintenance costs which are generally not reduced when circumstances cause a reduction in revenues from a property;

9.4.9. Civil disturbances, earthquakes and other natural disasters or terrorist acts or acts of war which may result in uninsured or underinsured losses or the decreased desirability to our tenants in impacted locations;

9.4.10. Declines in the financial condition of our tenants and our ability to collect rents from our tenants;

9.4.11. Decreases in the underlying value of our real estate.

Acquisition Risks

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

9.5.1. Even if we enter into an acquisition agreement for a property, we may be unable to complete that acquisition after making a non-refundable deposit and incurring certain other acquisition-related costs.

9.5.2. We may be unable to obtain or assume financing for acquisitions on favourable terms, or at all.

9.5.3. Acquired properties may fail to perform as expected.

9.5.4. The actual costs of repositioning, redeveloping or maintaining acquired properties may be greater than estimated.

9.5.5. The acquisition agreement will likely contain conditions to closing, including satisfactory completion of due diligence investigations or other conditions that are not within our control, which may not be satisfied.

9.5.6. Acquired properties may be located in new markets, either within or outside Jamaica, where we may face risks associated with a lack of market knowledge or understanding of the local economy, lack of business relationships, in the area and unfamiliarity with local governmental and permitting procedures.

9.5.7. We may acquire real estate through the acquisition of the ownership entity subjecting us to the risks of that entity.

9.5.8. We may be unable to quickly and efficiently integrate new acquisitions (particularly acquisitions of portfolios of properties) into our existing operations, and this could have an adverse effect on our results of operations and financial condition.

9.5.9. We may acquire properties subject to liabilities and without any recourse, or with only limited recourse, against the prior owners or other third parties with respect to unknown liabilities. As a result, if a liability were asserted against us based upon ownership of those properties, we might have to pay substantial sums to settle or contest it, which could adversely affect our results of operations and cash flow. Unknown liabilities with respect to acquired properties might include:

- liabilities for clean-up of undisclosed environmental contamination
- claims by tenants, vendors or other persons against the former owners of the properties; and
- liabilities incurred in the ordinary course of business.

9.5.10. We may be unable to acquire a desired property because of competition from other well-capitalized real estate investors, including publicly traded and private REITs, institutional investment funds and other real estate investors; and even if we are able to acquire a desired property, competition from other real estate investors may significantly increase the purchase price.

Re-Letting and Tenant Risks

9.6. We derive most of our income from rent received from our tenants and we face potential difficulties or delays in renewing leases or re-leasing space. If a tenant experiences a downturn in its business or other types of financial distress, it may be unable to make timely rental payments. Also, when our tenants decide not to renew their leases or terminate early, we may not be able to re-let the space on a timely basis, or at all. Even if tenants decide to renew or lease new space, the terms of renewals or new leases, including the cost of required renovations or concessions to tenants, may be less favourable to us than current lease terms. As a result, our cash flow could decrease and our ability to make dividend payments to our shareholders could be adversely affected. The bankruptcy or insolvency of a major tenant may adversely affect the income produced by our properties. A bankrupt tenant may reject and terminate its lease with us. In such case, our claim against the bankrupt tenant for unpaid and future rent might be subject to a statutory cap that might be substantially less than the remaining rent actually owed under the lease, and, even so, our claim for unpaid rent would likely not be paid in full. This shortfall could adversely affect our cash flow and results of operations.

Resale Risks

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

Contingent or Counterparty Risks

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

Currency Exchange Risks

9.9. Having changed our functional currency to United States dollars in 2019, we still retain some potential currency exchange risk from transactions or earnings in currencies other than the US dollar. If we hold investments or other assets in currencies other than the US dollar, we will be subject to currency risks from the potential fluctuations in exchange rates between the US dollar and those currencies. A significant depreciation in the value of the currency of one or more countries where we have significant investments may materially affect our results of operations. We may attempt to mitigate any such effects by borrowing in the currency of the country in which we are investing. We cannot assure our shareholders, however, that our efforts will successfully neutralize all international currency risks.

Debt and Re-financing Risks

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

Leverage Risks

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

Insurance Risks

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

Market Risks

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

- **the extent of investor interest in our ordinary shares;**
- **the general reputation of "REIT"- like entities and the attractiveness of our ordinary shares in comparison to other equity securities, including securities issued by other real estate-based companies;**

- **our underlying asset value;**
- **investor confidence in the stock and bond markets, generally;**
- **national economic conditions;**
- **changes in tax laws and government policies;**
- **our financial performance;**
- **given the low level of liquidity of the local stock market in part due to the low level stock ownership penetration, trading in shares may occur less frequently than desired. Additionally, given that the principal owners of shares tend to be institutional investors, the level of trading activity may be diminished; and**
- **general stock and bond market conditions.**

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

COVID-19 Pandemic Risks

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

Risk Mitigation Strategies

9.16. The Group utilizes established best practices in its risk management strategies and reviews various risk factors at both the Investment and Risk committees and the Board of directors meetings. Consensus in the decision making process ensures that undertakings are consistent with the Group's risk appetite and that adequate measurement and mitigation strategies are being employed, including being adequately funded to absorb any adverse shifts.

Economic Risks

9.17. The Group uses various metrics to measure and monitor financial risks to its operations to ensure it remains a going concern. These include debt service coverage, net operating margin, funds from operations growth, debt to EBITDA, Debt to Equity, and Equity to Asset ratios. Specific benchmarks are set based on a composite of selected global REITs and our performance is measured against this composite. Whereas adverse economic conditions and dislocations in the credit markets could have a material effect on our results of operations, due to a downturn in the economy, our strategy is to diversify across various jurisdictions to mitigate against any economic fallout in another jurisdiction.

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

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

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

Asset and Industry Risks

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

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

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

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

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

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

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

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

9.29. To deal with decreases in the underlying value of our real estate, the Group has dynamic and diversified holdings in various markets where the movement in one market may be adequate to offset the movements in another. Periodic property upgrades are done including preventative maintenance and renovations, which help to maintain the underlying value of our properties.

Acquisition Risks

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

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

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

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

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

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

9.36. Full title searches are performed to confirm ownership of investment properties and ascertain any liens on the property. Professional valuators, surveyors and engineers are used to assess investment properties prior to acquisition and checks are made with the relevant environmental bodies (such as NEPA in Jamaica) to ensure no environmental issues exist and covenants are adhered to.

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

Re-Letting and Tenant Risks

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

Resale Risks

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

Contingent or Counterparty Risks

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

Currency Exchange Risks

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

Debt and Re-financing Risks

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

Leverage Risks

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

Insurance Risks

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

Market Risks

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

COVID-19 Pandemic Risks

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

10. OTHER RISK FACTORS RELATED TO KPREIT AND THE NEW ORDINARY SHARES

10.1. Notwithstanding KPREIT's robust risk management framework it is faced by several risk factors in the normal course of its activities. In view of this, prospective investors in the New Ordinary Shares should give careful consideration to the information contained in this Prospectus and where necessary solicit advice from licensed professional advisors. Potential investors should be mindful that the risk factors outlined below and elsewhere in this Prospectus is not an exhaustive list of all the risks that KPREIT can become susceptible to, therefore due consideration should be given to such inherent risk that may arise. Holders of the New Ordinary Shares will also be subject to the inherent risks that arise from such investments.

Regulatory and Legal Uncertainties

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

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

Price Volatility

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

Issue of Additional Ordinary Shares

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

Availability of KPREIT's Ordinary Shares for Purchase

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

Payment of Dividends

10.7. The payment of dividends on KPREIT's shares will be primarily dependent on KPREIT's future profitability and notwithstanding the target level of distributions under our existing policy, ultimately remains at the discretion of the Directors, who will be considering the Company's best interests as a whole.

Macro-Economic Policies

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

New Accounting Rules or Standards

10.9. KPREIT may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require changes in the way KPREIT reports its financial position, operating results or cash flows. Such changes could be applied retrospectively. The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgment in applying relevant accounting policies; for example, the calculation of expected credit losses and significant increases in credit risk for financial assets under IFRS 9 or fair value of financial instruments where observable market prices are not available. There is a risk that if the judgment exercised or the estimates or assumptions used subsequently turn out to be incorrect then this could result in an adverse impact on KPREIT's financial results.

Competitive Environment

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

Cross Border Operations/ Risks Associated with International Conditions

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

- international political and economic conditions;
- changes in Government regulations in various countries;
- implementation of trade barriers;
- implementation of adverse tax regimes;
- increased regulatory costs

11. LICENSES & REGULATORY FRAMEWORK

11.1. Save as is indicated below, the Group is not subject to any licensing or regulatory framework, beyond that which is applicable to an issuer of securities to the public, whose securities are listed on the JSE.

11.2. KPREIT (Cayman) Limited (formerly Kingston Properties (St Lucia Limited) is the holder of a Trade and Business Licence and a Local Company Control Licence under the laws of the Cayman Islands.

11.3. Each of the companies in the Group is of good standing in the jurisdiction of their incorporation.

12. LITIGATION

Neither the Company nor any of its subsidiaries is currently engaged in any material litigation in which they are the defendants, nor are they aware of any such pending material litigation.

13. CONSENTS

KPMG has given, and not withdrawn, its consent (as set out at Appendix 3 hereto) to the issue of this Prospectus with the inclusion therein of its reports and the references to its name in the form and context in which they are included.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection by appointment only, on Monday to Friday (except public holidays) and subject to, and in compliance with, the prevailing restrictions contained in the Orders under the Disaster Risk Management Act, during the hours of 10:00 a.m. to 4:00 p.m. at the offices of the Lead Broker set out in Section 3, up to the closing of the Invitation.

(i) the Articles of Incorporation of KPREIT;
(ii) the Consolidated Audited Financial Statements for the Company for each of the financial years ending December 31, 2021, 2020, 2019, 2018 and 2017. These financial statements are also available on the website of the Jamaica Stock Exchange **(www.jamstockex.com)** and on the Company's website **(www.kpreit.com)**.
(iii) the Underwriting Agreement entered into between the Company and the Underwriter.

15. STATUTORY & GENERAL INFORMATION

15.1. The Company has no founders or management or deferred shares.

15.2. In the opinion of the Directors, no minimum amount is required to be raised out of the proceeds of this Invitation to provide for any of the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Act.

15.3. The application lists with respect to the New Ordinary Shares will open at 9:00 a.m. on April 19, 2022 and will close on May 10, 2022 at 2:30 p.m. The Company reserves the right to:

15.3.1. close the application list at any time without prior notice if Applications have been received prior to the Closing Date for the full amount of the respective New Ordinary Shares offered.

15.3.2. extend such closing beyond the Closing Date above-mentioned and/or

15.3.3. offer New Ordinary Shares greater in number than originally offered, subject to the total number of New Ordinary Shares made available in the Invitation not exceeding 300,000,000 unless prior registration of any additional New Ordinary Shares with the FSC beyond such number is obtained, or

15.3.4. suspend the acceptance of Applications at any time without prior notice after the opening of the Application List for such period as the Directors shall determine; or

15.3.5. withdraw the Invitation at any time without prior notice after the opening of the Application List and close the Application List without accepting any Applications, in which event any amounts paid by Applicants in respect of the Subscription Price shall be refunded in full to Applicants.

15.4. All Applicants will be required to pay in full, on Application, the Subscription Price per New Ordinary Share. No further sum will be payable on Allotment.

15.5. No shares have been offered for subscription at any point within the two year period preceding the issue of this Prospectus.

15.6. No person has been given any option to subscribe for any shares or debentures in the Company.

15.7. **(a)** As at December 31, 2021, KPREIT held the following investments:

(i) Trade investments - nil

(ii) Quoted Investments (other than trade investments) - nil

(iii) Unquoted Investments (other than trade investments) - US$3,451,163

(b) There is no amount of goodwill shown in the financial statements of KPREIT or for patents or trademarks; and there is no contract for sale and purchase which would involve any goodwill, patent or trademarks.

(c) The aggregate amount of banks loans and overdrafts as at December 31, 2021 is US$17,243,953. See note 21 of Audited Financial Statements for details.

(d) None of the proceeds of this issue will be used to pay dividends.

15.8. No property has been or is proposed to be purchased or acquired by the Company, which is to be paid for wholly or partly out of the proceeds of the Invitation as prescribed by paragraphs 6 to 9 (inclusive) of Part 1 of the Third Schedule of the Act.

15.9. No amount has been paid within the two years preceding the date of this Prospectus, or is payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of the Company.

15.10. No amount or benefit has been paid or given to any promoter within the two (2) years preceding the date of this Prospectus, and no amount or benefit is intended to be paid or given to any promoter.

15.11. The name and address of the auditors of the Company are:

KPMG
Chartered Accountants
The Victoria Mutual Building
6 Duke Street, Kingston,
Jamaica, W.I.

15.12. The issued share capital of the Company consists of ordinary shares. All ordinary shares rank pari passu in respect of capital and dividends and carry voting rights in the Company.

15.13. As at the date of this Prospectus (that is, prior to the New Ordinary Shares being issued), the authorized and issued shares in the capital of the Company is as follows:

CLASS	AUTHORISED	ISSUED UNITS
Ordinary	**2,000,000,000**	**677,652,928**

15.14. The Company was incorporated on April 21, 2008, and it commenced operations in May 2008.

15.15. The Invitation is underwritten by Victoria Mutual Wealth Management Limited whose commitment is capped at J$500 million.

15.16. The Company's related-party transactions are disclosed in the Notes to its audited financial statements annexed at Appendix 2.

15.17. The Company's material contracts have all been entered into by the Company in the ordinary course of the business carried on by the Company.

16. APPLICATION PROCEDURES AND CONDITIONS OF INVITATION

16.1. You may apply for the New Ordinary Shares in the Invitation by any of the following methods:

16.1.1. by using the relevant Application Form included with this Prospectus, which is also available for download on our website www.kpreit.com or www.jamstockex.com or www.vmwealth.vmbs.com;

16.1.2. by using Wealth IPO Edge, the Lead Broker's online application portal accessed via https://wealthipo.vmbs.com and following the instructions to Applicants set out there and which are reproduced for your convenience at Appendix 5. In the event of any conflict between Appendix 5 and the instructions contained on Wealth IPO Edge, the instructions on Wealth IPO Edge shall prevail;

16.1.3. by using any other approved online application portal used by an appointed selling agent for the Invitation and following the instructions to Applicants set out there.

16.2. Each Application for the New Ordinary Shares must be for a minimum of 1,000 New Ordinary Shares, and Applications above this amount shall be in multiples of 100 New Ordinary Shares.

16.3. If your Application is made using a physical Application Form, your duly completed and signed Application Form TOGETHER WITH the following supporting documents should be delivered to the locations specified at Appendix 4 of this Prospectus on or before 2:30 pm on the Closing Date. Your Application will be deemed incomplete if the applicable supporting documents are not included.

SUPPORTING DOCUMENTS

1. **Copy of valid identification (Driver's Licence, Passport or National ID) for all individual Applicants**
2. **Copy Tax Registration Number card for all Applicants resident in Jamaica**
   (NB: if the document tendered at Item 1 is the Jamaican driver's licence, this will not be required).
3. **Payment or proof of payment using an Approved Payment Method (where applicable)**

16.4. The Approved Payment Methods shall be any one of the following:

(i) By Real Time Gross Settlement System ("RTGS System") or via the Automated Clearing House ("ACH") to the Lead Broker, using the following information. For physical Applications, evidence of such payment must be included at the relevant section of the completed and signed Application Form:

ACCOUNT DETAILS
VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED
Bank of Jamaica account #1015
BIC#: **JNCBJMKXC;**
Beneficiary: National Commercial Bank, 1-7 Knutsford Boulevard, Kingston 5 for further credit to Victoria Mutual Wealth Management Limited A/C# 351171960.
(Please include the applicant's name in the transaction details of the RTGS/ACH transfer)

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

16.5. The Company reserves the right to:

(i) close the application list at any time without prior notice if Applications have been received prior to the Closing Date for the full amount of the New Ordinary Shares made available for subscription or;

(ii) extend such closing beyond the above-mentioned date or;

(iii) suspend the acceptance of Applications at any time without prior notice after the opening of the application list for such period as the Directors shall determine; or

(iv) withdraw the Invitation at any time without prior notice after the opening of the application list and close the application list without accepting any Applications, in which event any Subscription Price paid by Applicants shall be refunded in full in the currency in which it was paid.

16.6. In any of the above cases, the Company will provide notice as soon as reasonably practicable via a press release in Jamaica and by all of the Approved Notification Methods. In addition, the Company may elect in its sole discretion to reduce the number of New Ordinary Shares available for subscription in which case the Company will issue a press release and post a notice using all of the Approved Notification Methods as soon as reasonably practicable upon such decision being made.

16.7. The Board in their sole discretion may accept (in whole or in part) or reject in whole or in part any Application to subscribe for New Ordinary Shares even if the Application is received, validated and processed. Accordingly, the number of New Ordinary Shares allocated to you may be reduced.

16.8. Neither the submission of an Application by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the allotment of New Ordinary Shares by the Registrar on behalf of the Company to an Applicant (whether such New Ordinary Shares represent all or part of those specified by the Applicant in their Application) will result in a binding contract under which the Applicant will be deemed to have agreed to subscribe for the number of allotted New Ordinary Shares at the Subscription Price, subject to KPREIT's Articles of Incorporation and the terms and conditions set out in this Prospectus.

16.9. Early Applications will be received, but not processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date. New Ordinary Shares will be allocated after close of the application list when all the valid Applications are received.

16.10. If the Invitation is oversubscribed, the Company may in its sole discretion take any or a combination of the following actions:

16.10.1. elect at any time prior to the closing of the Invitation or on the Closing Date, to upsize the Invitation by making up to 100,000,000 additional New Ordinary Shares available for subscription by Applicants, bringing the maximum size of the Invitation to 300,000,000 New Ordinary Shares (the "Upsize Cap").

16.10.2. In addition, if the Company receives Applications for New Ordinary Shares in excess of the Upsize Cap, the Company may (but does not undertake to) apply to the FSC for registration of additional New Ordinary Shares in excess of the Upsize Cap. If such additional registration is submitted and obtained, the Company may, but shall not be obliged to, issue and allot additional New Ordinary Shares in an amount not exceeding the limit of such additional registration.

16.10.3. In the event that the Company exercises its discretion under any of the foregoing paragraphs, it shall make reference thereto in any announcement it issues for the purposes of the closing of the Invitation and the publication of the basis of allotment within 6 Business Days of the Closing Date (or earlier). The decision to upsize whether to the Upsize Cap or above shall be in the sole discretion of the Company, and the Company does not represent or warrant that it will exercise the option to upsize;

16.10.4. While the Company intends to allot the New Ordinary Shares on a "first come, first served" basis, if the Invitation is oversubscribed, then whether or not the Company has elected to upsize the Invitation, the Company reserves the right to instead allot the New Ordinary Shares on a pro rata basis across all Applications, having regard to paragraph 16.11 of this Prospectus. In this case Applicants may be allotted fewer New Ordinary Shares than they applied for.

16.11. Multiple Applications by the same Applicant shall be treated as a single Application for the purpose of Allocation/Allotment. For this purpose, Applicants will be regarded as being the same where it is either the same individual or corporate Applicant or, in the case of joint Applicants, the joint holders identified for each Application are the same.

16.12. Refunds to Applicants whose Applications are not accepted in whole or in part will be sent to their broker within 10 clear days of the Closing Date who will distribute same to the account of the Applicant.

16.13. In respect of each Application which is accepted in whole or in part by the Company, New Ordinary Shares will be issued and allotted in the name of that Applicant (or in the joint names of joint Applicants). Each letter of allotment will be mailed through the post at the Applicant's risk to the address of the Applicant (or of the primary Applicant) stated in the Application, or at the Company's option, emailed to your email address as set out in the Application. Letters of allotment are not transferable or assignable. The Company will dispatch the letters of allotment within ten clear (10) days after the Closing Date. No share certificates will be issued.

16.14. Upon the issue of the New Ordinary Shares, it is the intention of the Company to have the issued New Ordinary Shares listed on the Main Market of the JSE. The JSE Rules provide that this application for listing must be made by the Company within fifteen (15) clear days of the allotment. The Company intends to apply promptly after the close of the Invitation for admission of the New Ordinary Shares to the Main Market of the JSE to enable them to be listed in the same manner as the Company's Existing Ordinary Shares are listed, as a supplemental listing. This statement is not to be construed as a guarantee that the Company's New Ordinary Shares will be so listed, as this will depend on the approval of the JSE being granted for the supplemental listing application.

16.15. This Invitation shall be governed by and construed in accordance with the laws of Jamaica.

17. DIRECTORS' SIGNATURES

BY ORDER OF THE BOARD

Signed on behalf of **KINGSTON PROPERTIES LIMITED** by the below-mentioned Directors on their own behalf and as duly authorized agents for the remaining Directors of **KINGSTON PROPERTIES LIMITED**, dated as of the April 5, 2022.

DIRECTOR
NAME: **GARFIELD SINCLAIR**

DIRECTOR
NAME: **NICOLE FOGA**

APPENDIX 1: APPLICATION FORM

PLEASE READ CAREFULLY BEFORE COMPLETING THIS FORM

THE REIT KINGSTON PROPERTIES LIMITED

SECTION A

TO: **KINGSTON PROPERTIES LIMITED**
Re: **Invitation for Subscription for New Ordinary Shares**

I/We confirm that I/we have read and understood and hereby agree to be bound by the terms and conditions contained in the Prospectus, all of which are incorporated into this Application Form by reference. Capitalized words and expressions used herein shall bear the same meanings as are ascribed thereto in the Prospectus.

I/We hereby apply for ____ Ordinary Shares in the KPREIT APO:

I/We have remitted payment for the sum of J$_________________________________ _______________ for my/our subscription and the JCSD processing fee of J$172.50 (inclusive of GCT).

I/We agree to accept the above or any smaller number of New Ordinary Shares in respect of which this Application may be accepted, subject to the terms and conditions in the Prospectus and the Articles of Incorporation of Kingston Properties Limited, by which I/we agree to be bound. I/We request you to issue to me/us the number of New Ordinary Shares which may be allocated to me/us at the close of the Invitation upon the terms and conditions governing Applications, as set forth in the Prospectus. I/We hereby irrevocably agree to accept the New Ordinary Shares that may be allocated and issued to me/us.

SECTION B - ACCOUNT HOLDERS

PRIMARY HOLDER *(Either Company or Individual)*

Full Name: ______________________________

Address: ______________________________

____

Mailing address (if different): ______________________________

____

E-mail Address: ______________________________

PHONE#(S): ______________________________

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

TRN #: ______________________________ JCSD ACCOUNT #: ______________________________

BROKER NAME & NO.: ______________________________

SIGNATURES: ______________________________

Companies: ______________________________ ______________________________

Director Director/Secretary

____

Date Signatures Affixed

COMPANIES AFFIX STAMP/SEAL BELOW:

Individual: ______________________________ ______________________________

Applicant Date signature affixed

FIRST JOINT HOLDER:

Full Name: ______________________________

TRN #: _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ **Signature:** ______________________________

SECOND JOINT HOLDER:

Full Name: ______________________________

TRN #: _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ Signature: ______________________________

THIRD JOINT HOLDER:

Full Name: ______________________________

TRN #: _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ Signature: ______________________________

SECTION C - PAYMENT DETAILS

APPROVED PAYMENT METHODS

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

AUTHORIZATION LETTER	From the Applicant instructing Victoria Mutual Wealth Management Limited/ a Selling Agent to make payment from cleared funds held in an investment account in the Applicant's Name.
ACH/RTGS	Bank of Jamaica account #1015 **BIC#JNCBJMKX** Beneficiary: National Commercial Bank, 1-7 Knutsford Boulevard, Kingston 5 For further credit to Victoria Mutual Wealth Management Limited: **A/C # 351171960**
ONLINE TRANSFER	Bank: National Commercial Bank Branch: Knutsford Boulevard Account Name: Victoria Mutual Wealth Account Number: **351171960**

PAYMENT VERIFICATION INFORMATION

Please complete the relevant section/section(s) to confirm your payment method(s).

PAYMENT METHOD: ☐ **ACH/RTGS** ☐ **VMWM ACCOUNT**

☐ **ONLINE TRANSFER** ☐ **FUNDS REMITTED BY SELLING AGENT**

ACH/RTGS/ONLINE TRANSFER #/VMWM A/C # ______________________________

INSTITUTION ______________________________

PAYMENT DATE ______________ AMOUNT J$ ______________

SENDER'S (PAYEE'S) NAME ______________________________

SENDER'S (PAYEE'S) ACCOUNT NUMBER

SECTION D - FOR USE BY LEAD BROKER ONLY

DATE RECEIVED ____________________ **TIME RECEIVED** ____________________ **BRANCH RECEIVED** ____________________

PAYMENT METHOD(S) ☐ **ACH/RTGS**

☐ **ONLINE TRANSFER** ☐ **VMWM ACCOUNT**

PROOF OF PAYMENT(S) RECEIVED: ☐ **YES**

DRIVER'S LICENCE/TRN RECEIVED: ☐ **YES**

REVIEWED BY (NAME): ____________________________________

BROKER STAMP AND SIGNATURE

APPENDIX 2:

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021

KPMG
P.O. Box 436
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922 6640
firmmail@kpmg.com.jm

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 106 to 150, which comprise the Group's and Company's statements of financial position as at December 31, 2021, the Group's and Company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant 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 Group and the Company as at December 31, 2021, and of the Group's and Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and 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 in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
KINGSTON PROPERTIES LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters

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

Key audit matters and how they were addressed in our audit

1. *Valuation of investment property*

   The valuation of the Group's investment property requires significant estimation, which is impacted by uncertainty of market factors, pricing assumptions and general business and economic conditions.

   Our audit procedures in response to this matter included the following:

   - We used our own valuation specialists to assess the reasonableness of the valuation methodologies employed by management, including management experts, where applicable, and the fair value conclusions for a sample of properties at the valuation date. We considered the provisions of IFRS 13 *Fair Value Measurement;* reviewed the sources of data and 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.

   - We evaluated the independence and qualification of management's valuation experts, where applicable, to determine that the valuations were done with appropriate independence and free of management bias.

   - We assessed the adequacy and appropriateness of the Group's investment property disclosures, including the valuation techniques and significant unobservable inputs in accordance with IFRS 13 *Fair Value Measurement.*

2. *Fair value of investments*

   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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
KINGSTON PROPERTIES LIMITED

Report on the Audit of the Financial Statements (Continued)

2. *Fair value of investments (continued)*

Management 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.

Our audit procedures in the area included the following:

- We engaged our internal valuation specialist 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 projection by:

  (i) comparing the input data provided by management with independent data sources, supporting documents and information; and

  (ii) challenging management's assumptions such as, the timing, amounts and future growth of the cash flows by obtaining an understanding of the relevant activities of the company and determining whether there may be variations to the contractual cash flows expected.

- We tested the mathematical accuracy of the cash flow projections and the adequacy and appropriateness of the Group's disclosures against the requirements of IFRS 13 *Fair Value Measurement* (see notes 12 and 26).

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. 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
KINGSTON PROPERTIES LIMITED

Report on the Audit of the Financial Statements (Continued)

Other information (continued)

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 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 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 or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Group's 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.

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.

KPMG

Chartered Accountants
Kingston, Jamaica

March 1, 2022

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 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 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 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.

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, 2021

(Expressed in United States Dollars unless otherwise stated)

	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Revenue - rental income	4	2,981,417	2,130,727	1,010,602	651,372
Operating expenses	5	(1,283,008)	(1,100,482)	(826,345)	(508,151)
Results of operating activities before other income		1,698,409	1,030,245	184,257	143,221
Other income/(expenses):					
Increase /(decrease) in fair value of investment property	11(b)(i)	838,001	307,539	(111,695)	415,923
Increase in fair value of FVTPL investments		534,553	85,219	-	
Gain /(loss) on disposal of investment property		246,386	(78,392)	-	-
Management fees	6	76,117	69,673	76,117	69,673
Dividend income	12	75,622	-	-	-
Loss on disposal of furniture and equipment		(2,971)	-	-	-
Impairment (allowance)/reversal on financial assets	16,17	(15,000)	(2,991)	(10,000)	211,931
Miscellaneous income		71,318	3,136	-	155
Operating profit		3,522,435	1,414,429	138,679	840,903
Finance income	7	148,986	212,837	116,121	189,468
Finance costs	7	(574,543)	(1,029,919)	(214,737)	(619,677)
Net finance costs	7	(425,557)	(817,082)	(98,616)	(430,209)
Profit before income tax		3,096,878	597,347	40,063	410,694
Income tax (charge)/ credit	8	(78,566)	15,378	-	(15,522)
Profit for the year, being total comprehensive income for the year	9	$3,018,312	612,725	40,063	395,172
Earnings per stock unit (USD)	10	$ 0.0045	0.0009		
Earnings per stock unit (JMD)	10	$ 0.7011	0.1300		

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

Kingston Properties Limited

STATEMENTS OF FINANCIAL POSITION

December 31, 2021

(Expressed in United States Dollars unless otherwise stated)

	Notes	Group 2021	Group 2020	Company 2021	Company 2020
NON-CURRENT ASSETS					
Investment property	11	41,779,432	38,130,420	16,161,594	13,640,472
Investments at fair value through profit or loss	12	3,451,163	1,085,219	-	-
Restricted cash	18	1,969	482,134	1,969	2,134
Furniture and equipment	13	208,099	169,487	172,852	136,999
Investment in subsidiaries	14	-	-	20,201,760	14,585,395
Total non-current assets		45,440,663	39,867,260	36,538,175	28,365,000
CURRENT ASSETS					
Deposit on investment properties	15	1,232,761	-	-	-
Owed by subsidiaries	16	-	-	2,803,986	-
Investment property held-for-sale	11(g)	497,250	240,000	-	-
Receivables	17	581,436	595,223	456,891	346,316
Income tax recoverable		11,199	20,848	3,605	3,605
Cash and cash equivalents	18	2,707,039	4,871,737	925,886	684,039
Total current assets		5,029,685	5,727,808	4,190,368	1,033,960
Total assets		$50,470,348	45,595,068	40,728,543	29,398,960
EQUITY					
Share capital	19	25,316,337	25,316,779	25,316,337	25,316,779
Currency translation reserve	19	(1,488,861)	(1,488,861)	(4,153,262)	(4,153,262)
Retained earnings		8,807,021	6,688,638	2,463,113	3,322,979
Total equity		32,634,497	30,516,556	23,626,188	24,486,496
NON-CURRENT LIABILITIES					
Deferred tax liability	8	51,473	-	-	-
Loans payable	21	11,869,797	12,788,595	3,792,979	4,202,695
Total non-current liabilities		11,921,270	12,788,595	3,792,979	4,202,695
CURRENT LIABILITIES					
Current portion of loans payable	21	5,374,156	935,885	4,850,410	373,332
Owed to subsidiaries	16	-	-	8,132,050	218,139
Accounts payable and accrued charges	22	529,383	1,354,032	326,916	118,298
Income tax payable		11,042	-	-	-
Total current liabilities		5,914,581	2,289,917	13,309,376	709,769
Total liabilities		17,835,851	15,078,512	17,102,355	4,912,464
Total equity and liabilities		$50,470,348	45,595,068	40,728,543	29,398,960

The financial statements on pages 106 to 150 were approved for issue by the Board of Directors on March 1, 2022 and signed on its behalf by:

Garfield Sinclair
Chairman

Nicole Foga
Director/Company Secretary

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

Kingston Properties Limited

GROUP STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2021

(Expressed in United States Dollars unless otherwise stated)

	Share capital (note 19)	Treasury shares (note 20)	Cumulative translation reserve (note 19)	Retained earnings	Total
Balances at December 31, 2019	25,319,010	-	(1,488,861)	6,475,764	30,305,913
Profit for the year, being total comprehensive income	-	-	-	612,725	612,725
Transactions with owners of the Company:					
Stock units repurchased	-	(2,231)	-	-	(2,231)
Stock units cancelled	(2,231)	2,231	-	-	-
Dividends declared (note 23)	-	-	-	(399,851)	(399,851)
Total transactions with owners of the Company	(2,231)	-	-	(399,851)	(402,082)
Balances at December 31, 2020	25,316,779	-	(1,488,861)	6,688,638	30,516,556
Profit for the year, being total comprehensive income	-	-	-	3,018,312	3,018,312
Transactions with owners of the Company:					
Stock units repurchased		(442)	-	-	(442)
Stock units cancelled	(442)	442	-	-	-
Dividends declared (note 23)	-	-	-	(899,929)	(899,929)
Total transactions with owners of the Company	(442)	-	-	(899,929)	(900,371)
Balances at December 31, 2021	$25,316,337	-	(1,488,861)	8,807,021	32,634,497

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

Kingston Properties Limited

SEPARATE STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2021

(Expressed in United States Dollars unless otherwise stated)

	Share capital (note 19)	Treasury shares (note 20)	Retained earnings	Cumulative translation reserve	Total
Balances at December 31, 2019	25,319,010	-	3,327,658	(4,153,262)	24,493,406
Profit for the year, being total comprehensive income	-	-	395,172	-	395,172
Transactions with owners of the Company:					
Stock units repurchased	-	(2,231)	-	-	(2,231)
Stock units cancelled	(2,231)	2,231	-	-	-
Dividends declared (note 23)	-	-	(399,851)	-	(399,851)
Total transactions with owners of the Company	(2,231)	-	(399,851)	-	(402,082)
Balances at December 31, 2020	25,316,779	-	3,322,979	(4,153,262)	24,486,496
Profit for the year, being total comprehensive income	-	-	40,063	-	40,063
Transactions with owners of the Company					
Stock units repurchased	-	(442)	-	-	(442)
Stock units cancelled	(442)	442	-		-
Dividends declared (note 23)	-	-	(899,929)	-	(899,929)
Total transactions with owners of the Company	(442)	-	(899,929)	-	(900,371)
Balances at December 31, 2021	$25,316,337	-	2,463,113	(4,153,262)	23,626,188

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

Kingston Properties Limited

STATEMENTS OF CASH FLOWS

Year ended December 31, 2021

(Expressed in United States Dollars unless otherwise stated)

	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Cash flows from operating activities					
Profit for the year		3,018,312	612,725	40,063	395,172
Adjustments for:					
Income tax charge/(credit)	8	78,566	(15,378)	-	15,522
Depreciation	13	20,078	13,119	15,171	9,337
Interest income	7	(60,850)	(212,837)	(11,285)	(189,468)
Interest expense	7	497,853	458,444	165,641	105,676
Increase in fair value of investment properties	11(b)(i)	(838,001)	(307,539)	111,695	(415,923)
Increase in fair value of investments at FVTPL		(534,553)	(85,219)	-	-
(Gain)/loss on disposal of investment property		(246,386)	78,392	-	-
Loss on disposal of furniture and equipment		2,971	-	-	-
Impairment loss/(reversal) on financial assets	16,17	15,000	2,991	10,000	(211,931)
		1,952,990	544,698	331,285	(291,615)
Changes in:					
Receivables		(4,111)	44,350	(120,574)	(209,593)
Accounts payable and accrued charges		185,556	39,481	196,841	(9,043)
Income tax paid		(6,402)	(51,209)	-	(17,399)
Owed by subsidiaries		-	-	(2,803,986)	244,940
Owed to subsidiaries		-	-	7,913,911	(23,310)
Net cash provided/(used) by operating activities		2,128,033	577,320	5,517,477	(306,020)
Cash flows from investing activities					
Additional invested capital in subsidiary		-	-	(5,616,366)	(8,101,065)
Interest received		63,748	213,167	11,285	193,970
Additions to property and equipment	13	(61,661)	(130,185)	(51,024)	(102,735)
FVTPL investments		(2,831,391)	-	-	-
Additions to investment property	11(b)(i)	(4,253,348)	(15,613,817)	(2,632,817)	(4,820,472)
Proceeds of disposal of furniture and equipment		-	1,501	-	-
Deposit on investment properties		(1,232,761)	-	-	-
Proceeds of disposal of investment property		1,431,473	1,412,187	-	-
Net cash used in investing activities		(6,883,940)	(14,117,147)	(8,288,922)	(12,830,302)
Cash flows from financing activities					
Interest paid		(519,835)	(438,608)	(165,641)	(105,834)
Dividends paid		(888,152)	(405,389)	(888,152)	(405,389)
Loans received		4,470,410	5,928,233	4,470,410	-
Loans repaid		(950,937)	(1,479,771)	(403,048)	(59,587)
Restricted cash		480,165	(359,838)	165	162
Treasury shares		(442)	(2,231)	(442)	(2,231)
Net cash provided/(used) by financing activities		2,591,209	3,242,396	3,013,292	(572,879)
Net (decrease)/increase in cash and cash equivalents		(2,164,698)	(10,297,431)	241,847	(13,709,201)
Cash and cash equivalents at beginning of year		4,871,737	15,169,168	684,039	14,393,240
Cash and cash equivalents at end of year	18	$2,707,039	4,871,737	925,886	684,039

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

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 five wholly owned subsidiaries:

(i) Kingston Properties (St. Lucia) Limited, incorporated in St. Lucia under the International Business Companies Act; and its wholly-owned subsidiary Kingston Properties Miami LLC, incorporated in Florida under the Florida Limited Liability Company Act

(ii) KP (Reit) Jamaica Limited, incorporated in Jamaica under the Companies Act.

(iii) KP Dumfries Limited, incorporated in Jamaica on February 16, 2021 under the Companies Act.

(iv) On December 29, 2021 KPREIT (St Lucia) Limited was incorporated in St Lucia but did not commence operation until January 2022.

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 Kingston Properties (St. Lucia) Limited.

The principal activity of the Group is to make accessible to investors, the income earned from the ownership of real estate properties 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 International Financial Reporting Standards (“IFRS”) 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, none of which resulted in any changes to the amounts recognised in the financial statements.

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 are relevant:

- Amendments to IAS 37 *Provision, Contingent Liabilities and Contingent Assets* is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

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):

- Amendments to IAS 37 *Provision, Contingent Liabilities and Contingent Assets* (continued)

  The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

  The Group does not expect the amendment to have a significant impact on its financial statements.

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments,* IFRS 16 *Leases*, IAS 41 *Agriculture*, and are effective for annual periods beginning on or after January 1, 2022.

  (i) IFRS 9 *Financial Instruments* amendment clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  (ii) IFRS 16 *Leases* amendments removes the illustration of payments from the lessor relating to leasehold improvements.

  (iii) The amendments to IAS 41 *Agriculture* remove the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 *Fair Value Measurement*.

  The Group does not expect the amendments to have a significant impact on its financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

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):

- Amendments to IAS 1 *Presentation of Financial Statements* (continued)

  Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

  With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

  The Group does not expect the amendment to have a significant impact on its financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

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):

- Amendments to IAS 1 *Presentation of Financial Statements (continued)*

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

  The Group is assessing the impact that the amendment will have on its financial statements.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after 1 January 2023, with early adoption permitted .The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and

  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates

The Group is assessing the impact that the amendment will have on its financial state.

(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.

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

(c) Functional and presentation currency

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

(d) Use of judgements and estimates

The preparation of the financial statements in conformity with IFRS 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.

The key relevant judgements are as follows:

(1) Classification of financial assets

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

(2) Impairment of financial assets

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

(3) Accounting for investments at fair value through profit or loss (FVTPL)

Kingston Properties Miami LLC (KPM) acquired a 36% interest in an unquoted investment during the year. However, the Company did not apply the equity method of accounting and recorded this as a FVTPL investment since KPM does not have significant influence over the operation of this entity [see note 12(b)].

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

(d) Use of judgements and estimates (continued):

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

(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) Impairment of financial assets

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information. Management also estimates the likely amount of cash flows recoverable on the financial assets in determining loss given default.

(3) Taxation

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

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

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

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

3. Significant 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.

3. Significant accounting policies (continued)

(a) Consolidation (continued)

(i) Subsidiaries

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

(ii) Transactions eliminated on consolidation

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

(b) Investment in subsidiaries

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

(c) Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(d) Accounts payable and accrued charges

Accounts payable and accrued charges are measured at amortised cost.

(e) Receivables

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

(f) Related parties

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

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

(1) has control or joint control over the Group;

(2) has significant influence over the Group; or

(3) is a member of the key management personnel of the Group.

3. Significant accounting policies (continued)

(f) Related parties (continued)

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

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

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

3. Significant accounting policies (continued)

(g) Foreign currencies (continued)

(ii) (Continued)

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. Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

Exchange differences arising on a monetary item that, in substance, forms a part of the Company's net investment in a foreign entity is included in equity in these financial statements until the disposal of the net investment, at which time they are recognised as income or expense.

(h) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. A significant increase in credit risk is assumed to have occurred if there has been deterioration in the counterparty's performance and ability to pay.

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.

For trade receivables, the Group applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision matrix.

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

3. Significant accounting policies (continued)

(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.

Financial assets

Recognition and initial measurement

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

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

Classification and subsequent measurement

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

Amortised cost represents the net present value ("NPV") of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Receivables
- Related party receivables

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

Subsequent measurement

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

3. Significant accounting policies (continued)

(i) Financial instruments (continued):

Financial assets (continued)

Classification and subsequent measurement (continued)

Impairment of financial assets

For trade receivables, the Group applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. The lifetime ECLs 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.

The Group recognises a loss allowance for expected credit losses on other 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 [see note 3(h)].

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

3. Significant accounting policies (continued)

(i) Financial instruments (continued):

Financial liabilities (continued)

Derecognition

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

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

Offsetting of financial instruments

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

(j) Capital

(i) Classification

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets.

(ii) Share issue costs

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

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

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

(iv) Dividends

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

(k) Income tax

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

3. Significant accounting policies (continued)

(k) Income tax (continued)

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.

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

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

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

(i) Identify a replacement property within 45 days.

(ii) Exchange the property the earliest of:

  (a) 180 days after it sells the relinquished property

  (b) The due date of the income tax return that would include the property sale.

(iii) Not receive cash from the sale prior to the exchange. It may use a qualified intermediary to hold such cash prior to the exchange.

(l) Furniture and equipment

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

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

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

3. Significant accounting policies (continued)

(l) Furniture and equipment (continued)

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

Computer and accessories	20%
Furniture and fixtures	10%

(m) Investment property

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

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

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

(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.

(o) Revenue recognition

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

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Performance obligations and revenue recognition policies:

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

3. Significant accounting policies (continued)

(o) Revenue recognition (continued)

Types of services	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15.
Rental income	The Group rents property. Rentals are charged on a monthly basis and are based on fixed rates agreed.	Revenue from rental is recognised over time as the services are provided.
Management fees	The Group provides maintenance service for its commercial office spaces. Fees are calculated based on a fixed percentage of the rental income and is charged monthly.	Recognised over time as the service is provided.

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expense that relate to transactions with any of the Group's other components. All operating segments for which discrete information is available are reviewed regularly by the Group's Board of Directors to make decisions about resource allocation and to assess performance.

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

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

(q) Securities purchased under agreements to resell

Securities purchased under agreements to resell are transactions in which the Group makes funds available to institutions by entering into short-term secured agreements with those institutions. They are accounted for as short-term collateralised lending. The difference between purchase and resale considerations is recognised as interest income on the effective interest basis over the term of the agreement.

(r) Assets held-for-sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale, rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

(s) Employee benefits

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payment is available.

(Expressed in United States Dollars unless otherwise stated)

4. Rental income

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

5. Expense by nature

	Group		Company	
	2021	2020	2021	2020
Accounting fees	5,764	4,400	-	-
Audit fees (note 9)	52,621	60,521	29,013	33,688
Bank charges	4,369	3,779	1,319	741
Brokers fees	78,972	66,705	75,252	-
County and state taxes	-	93	-	-
Depreciation (note 13)	20,078	13,119	15,171	9,337
Directors' fees [note 16(b)]	63,750	47,450	31,875	23,725
Homeowners' association fees	93,171	177,702	-	-
Insurance	124,476	86,179	82,185	42,889
Professional fees	60,559	34,358	22,392	19,547
Property taxes	52,594	108,302	8,199	6,074
Regulatory fees and charges	22,672	17,833	22,672	17,833
Management fees	20,707	19,276	-	-
Repairs and maintenance	44,387	28,352	7,895	-
Salaries and related costs	525,464	332,846	453,043	299,062
Contribution and defined contribution plan	7,061	4,995	7,061	4,995
Utilities	4,867	5,069	3,905	1,399
Other operating expenses	101,496	89,503	66,363	48,861
	$1,283,008	1,100,482	826,345	508,151

6. Management fees

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

7. Net finance costs

	Group		Company	
	2021	2020	2021	2020
Finance income:				
Interest income	60,850	212,837	11,285	189,468
Foreign exchange gains	88,136	-	104,836	-
	148,986	212,837	116,121	189,468
Finance costs:				
Foreign exchange losses	-	(522,753)	-	(507,837)
Interest expense	(497,853)	(458,444)	(165,641)	(105,676)
Commitment fees	(76,690)	(48,722)	(49,096)	(6,164)
Total finance costs	(574,543)	(1,029,919)	(214,737)	(619,677)
Net finance costs	$(425,557)	(817,082)	(98,616)	(430,209)

(Expressed in United States Dollars unless otherwise stated)

8. Income tax charge/(credit)

(a) Taxation comprises:

	Group 2021	Group 2020	Company 2021	Company 2020
(i) Current income tax expense:				
Income tax at 25%	22,213	-	-	-
Income tax at 1%	4,880	5,076	-	-
Under-provision of income tax	-	15,522	-	15,522
	27,093	20,598	-	15,522
(ii) Deferred income tax expense:				
Origination and reversal of temporary differences [See (d) below]	51,473	(35,976)	-	-
Total income tax charge/(credit)	$78,566	(15,378)	-	15,522

(b) Reconciliation of actual tax expense:

The tax rate for the Company and Jamaica subsidiaries 25% (2020: 25%) of profit before income tax, adjusted for tax purposes, while the tax rate for the St. Lucia subsidiary is 1% of profits, and that for the Florida subsidiary is 21% (2020: 21%).

The actual tax charge for the year is as follows:

	Group 2021	Group 2020	Company 2021	Company 2020
Profit before income tax	$3,096,878	597,347	40,063	410,694
Computed "expected" tax expense at Jamaican tax rate of 25%	774,220	149,338	10,016	102,674
Effect of different tax rates in foreign jurisdictions	(299,284)	(118,660)	-	-
Fair value gains disallowed	(282,352)	(84,766)	27,924	(103,981)
Depreciation and capital allowances	(131,072)	(149,654)	(96,845)	(71,618)
Prior year under accrual	-	15,522	-	15,522
Disallowed expenses/(income), net	(272,620)	102,412	(15,700)	36,335
Utilised tax losses	55,608	70,430	71,129	36,590
Actual tax charge/(credit)	$ 78,566	(15,378)	-	15,522
Effective rate of tax	2.54%	(2.57%)	0%	3.78%

(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.

Income tax losses, available for set-off against future taxable profits, amounted to approximately $671,562 for the Company and $1,219,948 for the Group (2020: $387,099 for the Company and $1,025,427 for the Group).

(Expressed in United States Dollars unless otherwise stated)

8. Income tax (credit)/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 (continued).

The balances and movements on deferred tax are as follows:

	Group				
	Balance at December 31, 2019	Recognised in profit or loss	Balance at December 31, 2020	Recognised in profit or loss	Balance at December 31, 2021
Investment property	$35,976	(35,976)	-	(28,700)	(28,700)
Investments	-	-	-	130,152	130,152
Tax losses	-	-	-	(49,979)	(49,979)
	$35,976	(35,976)	-	51,473	51,473

9. Profit for the year

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

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Auditors' remuneration (note 5)	52,621	60,521	29,013	33,688
Key management personnel				
Compensation	295,010	227,617	295,010	227,617
Directors' remuneration:				
fees (note 5)	63,750	47,450	31,875	23,725

Key management personnel comprise the Board of Directors, Chief Executive Officer, Chief Financial Officer and the Senior Manager of Operations.

10. Earnings per stock unit

The earnings per stock unit is computed by dividing the profit for the year of $3,018,312 (2020: $612,725), attributable to the Company's stockholders, by a weighted average number of stock units issue during the year, determined as follows:

	2021	2020
Ordinary stock units at January 1	677,662,399	677,713,643
Effect of repurchasing stock units	(7,751)	(48,855)
	677,654,648	677,664,788
Weighted average number of ordinary stock units held during the year	677,654,648	677,664,788
Earnings per stock unit (USD)	$ 0.0045	0.0009
Earnings per stock unit (JMD)	$ 0.7011	0.1300

(Expressed in United States Dollars unless otherwise stated)

11. Investment property

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

	Group 2021	Group 2020	Company 2021	Company 2020
Loft II, Miami condominiums	-	945,087	-	-
W. Ft. Lauderdale condominiums	1,572,814	1,785,000	-	-
Opera Tower Miami condominiums	347,412	337,592	-	-
Red Hills Road Commercial Complex	5,596,770	5,520,000	5,596,770	5,520,000
Spanish Road Commercial Complex	3,200,000	3,300,000	3,200,000	3,300,000
East Ashenheim Road	5,314,252	4,820,472	5,314,252	4,820,472
Tropic Centre	3,163,182	3,142,000	-	-
Grenada Crescent	6,300,000	5,403,093	-	-
Rosedale Warehouses	2,217,000	2,106,562	-	-
Harbour Centre	10,770,614	10,770,614	-	-
Dumfries Road	1,246,816	-	-	-
Rosseau Road	525,663	-	525,663	-
Spanish Town Road	1,524,909	-	1,524,909	-
	$41,779,432	38,130,420	16,161,594	13,640,472

(b) (i) The carrying amounts of investment property have been determined as follows:

	Group 2021	Group 2020	Company 2021	Company 2020
Balance as at beginning of year	38,130,420	23,939,643	13,640,472	8,404,077
Additions during the year	4,253,348	15,613,817	2,632,817	4,820,472
Disposals during the year	(945,087)	(1,490,579)	-	-
Transfers to held-for-sale [see note 11(g)]	(497,250)	(240,000)	-	-
Fair value gains	838,001	307,539	(111,695)	415,923
Balance at end of year	$41,779,432	38,130,420	16,161,594	13,640,472

11. Investment property (continued)

(b) The carrying amounts of investment property have been determined as follows (continued):

(ii) The fair value measurement for investment properties 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
Investment approach: The valuation model examines the price an investor would be prepared to pay for the right to receive a certain income stream.	• Expected market rental growth • Yields • Rental rates	The estimated fair value would increase/(decrease) if: • Expected market rental growth were higher (lower); The occupancy rate were higher (lower)
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.		• Rent-free periods were shorter (longer); or • Yields were lower (higher)
Sales comparison approach: The approach relies heavily upon the principle of substitution. Recent sales of similar properties are gathered and a meaningful unit of comparison is developed. A comparative analysis of the subject is done, involving consideration for differences in location, time, terms of sales and physical characteristics.	• Sales of similar properties	The estimated fair value would increase/(decrease) if: • Sales prices of similar properties were higher/(lower)

11. Investment properties (continued)

(b) The carrying amounts of investment property have been determined as follows (continued):

(ii) The fair value measurement for investment properties is classified as Level 3 (continued)

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Income approach: This approach converts anticipated annual net income into an indication of value. This process is called capitalisation, and involves multiplying the annual net income by a factor or dividing it by a rate that weighs such considerations such as risk, time, and return on investment.	• Annual net income	The estimated fair value would increase/(decrease) if: • Annual net income was higher/(lower) • Capitalisation multiple was higher/(lower)

(c) (i) The fair value of investment property as at the reporting date is based on estimates of open market value, which may be defined as the best price at which an interest in a property might reasonably be expected to be sold by private treaty at the date of valuation, assuming:

- a willing seller;
- a willing buyer;
- a reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market;
- values are expected to remain stable throughout the period of market exposure and disposal by way of sale;
- the property will be freely exposed to the market;
- that no account has been taken of any possible additional bid(s) reflecting any premium in price which might be forth-coming from a potential purchaser with a special interest in acquiring the premises; and
- that the subject premises, in its current zoned use class, can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its land use class, in the open market.

(ii) The Spanish Town Road Commercial Complex and the property located at Grenada Crescent were revalued as at December 31, 2021, by independent valuators, NAI Jamaica: Langford and Brown.

(Expressed in United States Dollars unless otherwise stated)

11. Investment properties (continued)

(c) (Continued)

(iii) The Red Hills Road Commercial Complex was revalued as at December 31, 2020, by independent valuators, NAI Jamaica: Langford and Brown, of Kingston, Jamaica.

(iv) The condominiums located W. Ft. Lauderdale and Opera Towers were revalued by management as at December 31, 2021 while the W. Ft. Lauderdale was revalued by Laroucca Appraisals Inc. on December 30, 2020.

(v) The Rosedale Warehouses and Tropic Centre were revalued by independent valuators, DDL Studio Limited, of the Cayman Islands as at December 15, 2021 and December 15, 2020 respectively.

(vi) The Harbour Centre and East Ashenhiem Road properties were purchased less than two years and their purchase cost is assumed to approximate the fair values as at December 31, 2021.

(d) Gross rental income from investment properties are as disclosed in note 4.

(e) Property operating expenses are as follows:

	Group		Company	
	2021	2020	2021	2020
Homeowners' association fees	93,171	177,702	-	-
Insurance premiums	124,476	86,179	82,185	42,889
Property taxes	52,594	108,302	8,199	6,074
Professional fees	60,559	34,358	22,392	19,547
Repairs and maintenance	44,387	28,352	7,895	-
Security	3,700	-	3,700	-
Management fees	20,707	19,276	-	-
	$399,594	454,169	124,371	68,510

(f) A total of 6 residential condominiums located in Miami and Fort Lauderdale, Florida were sold during the year (2020: 6 units). Of the number of properties sold in 2021, one was classified as held for sale in 2020.

(g) At the end of the year the following properties were held-for-sale:

	Group	
	2021	2020
	$	$
W. Ft. Lauderdale condominiums	497,250	-
Opera Tower Miami condominium	-	240,000

These were subsequently sold in January 2022 and January 2021 respectively. This is included under United States of America in note 24.

(Expressed in United States Dollars unless otherwise stated)

12. Investments at fair value through profit or loss

	Group 2021 $	Group 2020 $
CGI Fund (a)	1,206,504	1,085,219
Polaris at Camp Creek LLC (b)	2,244,659	-
	3,451,163	1,085,219

(a) During the prior year the Miami subsidiary invested in 1,000,000 units in CGI Fund I. The fund is managed by CGI Investment Management LLC and the investment is measured at fair value and categorised as Level 3 in the fair value hierarchy.

The following table shows the valuation techniques and significant unobservable inputs used. Fair value gain of $121,288 (2020: $85,219) was recognised during the year. Further, the Company received dividend of $68,622 in respect of this investment.

Valuation technique	**Significant unobservable inputs**	**Range of input**
Income capitalisation approach	• Overall capitalization rate • Discount rate • Term • Terminal capitalisation rate • Growth rate	5-7.75% 7.25-7.75% up to 10 years 5.25-6.25% 1.0-3.0%

(b) Subscription fund units

During the year the Company acquired 1,831,391 units 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. The investment is measured at fair value.

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.

Valuation technique	**Significant unobservable inputs**	**Range of input**
Income capitalisation approach	• Overall capitalization rate • Discount rate • Term • Terminal capitalisation rate • Growth rate	5.03% 10.89% up to 5 years 6.07% 2.8%

During the year fair value gain of $413,265 was recognised in respect of this investment and the Company received dividend of $7,000.

(Expressed in United States Dollars unless otherwise stated)

13. Furniture, software and equipment

	Group			Company		
	Office furniture & equipment	Computer software	Total	Office furniture & equipment	Computer software	Total
Cost						
December 31, 2019	81,239	4,977	86,216	68,987	1,777	70,764
Additions	55,805	74,380	130,185	28,355	74,380	102,735
Disposals	(1,652)	-	(1,652)	-	-	-
December 31, 2020	135,392	79,357	214,749	97,342	76,157	173,499
Additions	23,992	37,669	61,661	13,355	37,669	51,024
Disposals	(4,050)	-	(4,050)	-	-	-
December 31, 2021	155,334	117,026	272,360	110,697	113,826	224,523
Depreciation						
December 31, 2019	28,329	3,965	32,294	26,398	765	27,163
Charge for year	12,439	680	13,119	8,657	680	9,337
Disposals	(151)	-	(151)	-	-	-
December 31, 2020	40,617	4,645	45,262	35,055	1,445	36,500
Charge for year	17,833	2,245	20,078	12,926	2,245	15,171
Disposals	(1,079)	-	(1,079)	-	-	-
December 31, 2021	57,371	6,890	64,261	47,981	3,690	51,671
Net book value						
December 31, 2021	$ 97,963	110,136	208,099	62,716	110,136	172,852
December 31, 2020	$ 94,775	74,712	169,487	62,287	74,712	136,999
December 31, 2019	$ 52,910	1,012	53,922	42,589	1,012	43,601

14. Investment in subsidiaries

	Company	
	2021	2020
Kingston Properties (St. Lucia) Limited		
Amount paid for shares	2,209,246	2,209,246
Additional investment capital [see (i) below]	8,101,065	8,101,065
Funds borrowed [see (ii) below]	(2,444,043)	(2,444,043)
	7,866,268	7,866,268
Kingston Properties Miami LLC [see (iii) below]	3,102,985	3,102,985
KP (Reit) Jamaica Limited [see (iv) below]	3,616,142	3,616,142
KPREIT (St. Lucia) Limited [see (v) below]	5,616,365	-
	$20,201,760	14,585,395

(i) During 2020, the Company invested $8,101,065 in Kingston Properties (St. Lucia) Limited for the purpose of acquiring investment properties in the region.

(Expressed in United States Dollars unless otherwise stated)

14. Investment in subsidiaries (continued)

(ii) The funds borrowed is the portion of an amount that the Company borrowed from Kingston Properties (St. Lucia) Limited (previously Carlton Savannah Reit (St. Lucia), which it on-lent to Kingston Properties Miami LLC for the purpose of acquiring condominiums in Miami in 2010.

(iii) Kingston Properties Miami LLC has no share capital; the parent's sole ownership and control is by virtue of the intermediate parent (note 1) being its sole member. The loan to this subsidiary constitutes the parent's investment in this subsidiary.

(iv) KP (Reit) Jamaica Limited was formed in 2018; this represents the amount paid for shares in KP (Reit) Jamaica Limited.

(v) This represents the amount to be paid for shares in KPREIT (St. Lucia) Limited. KPREIT (St. Lucia) Limited was formed in 2021 [See note 16(a)(v)].

15. Deposit on investment properties

The Group's subsidiary, Kingston Properties (St Lucia) Limited entered into an agreement to purchase a warehouse property in Cayman Islands for a value of CI$2,585,000. This deposit represents 40% of the purchase price paid and the remaining 60% will be paid over the next year on the successful completion of the construction of the property.

16. Related party transactions

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

	Company	
	2021	2020
Owed by subsidiaries:		
Kingston Properties Miami LLC (i)	1,585,658	-
Kingston Properties Dumfries Limited (ii)	1,218,328	-
	$2,803,986	-
Owed to subsidiaries:		
KP (Reit) Jamaica Limited (iii)	163,706	218,139
Kingston Properties (St. Lucia) Limited (iv)	2,351,979	-
KPREIT (St. Lucia) Limited (v)	5,616,365	-
	$8,132,050	218,139

(i) This represents amounts advanced by the Company to Kingston Properties Miami LLC for investment purposes. The advance is interest free with no repayment date.

(ii) This represents amounts advanced to Kingston Properties Dumfries Limited to assist in the purchase of an investment property, net of operating income collected by the Company on behalf Kingston Properties Dumfries Limited.

(Expressed in United States Dollars unless otherwise stated)

16. Related party transactions (continued)

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

(iii) This represents rental income collected by the Company on behalf KP (Reit) Jamaica Limited.

(iv) This represents advances to the Company by Kingston Properties (St. Lucia) Limited, which the Company invested in Jamaican assets. The advance is interest free with no repayment date.

(v) This represents invested capital committed to the new subsidiary, KPREIT (St. Lucia) Limited. As at year end the amount was not paid to the subsidiary [See note 14(v)].

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

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Legal fees and other expenses (See note below)	42,502	3,706	33,432	3,706
Directors' fees (note 5)	63,750	47,750	31,875	23,725

Legal fees and other expenses were incurred on acquisition of certain properties and these have been capitalized under the cost of the respective investment property.

(c) The movement in the allowance of ECL during the year is as follows:

	Company	
	2021	2020
Balance as at January 1	-	210,606
Net remeasurement of allowance of ECL	-	(210,606)
Balance as at December 31	$ -	-

Amount due from the related parties are considered low credit risk as these parties have intention and ability to settle these balances. No allowance for impairment is recognised.

(Expressed in United States Dollars unless otherwise stated)

17. Receivables

	Group 2021	Group 2020	Company 2021	Company 2020
Rent receivable	241,606	104,844	132,292	69,826
Less impairment loss	(45,381)	(30,381)	(11,992)	(1,992)
Net rent receivable	196,225	74,463	120,300	67,834
Withholding tax recoverable	21,362	58,248	21,014	21,954
Security deposits	3,101	11,747	1,176	565
Prepayments	23,417	29,264	7,305	3,636
Other receivables	337,331	421,501	307,096	252,327
	$581,436	595,223	456,891	346,316

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

	Group 2021	Group 2020	Company 2021	Company 2020
Balance at January 1	30,381	27,390	1,992	3,317
Net remeasurement of allowance for ECL	15,000	2,991	10,000	(1,325)
Balance at December 31	$ 45,381	30,381	11,992	1,992

18. Cash and cash equivalents

	Group 2021	Group 2020	Company 2021	Company 2020
Current accounts	581,866	1,785,665	283,076	686,173
Securities purchased under resale agreements	2,127,142	3,568,206	644,779	-
	2,709,008	5,353,871	927,855	686,173
Less: Restricted cash	(1,969)	(482,134)	(1,969)	(2,134)
	$2,707,039	4,871,737	925,886	684,039

As at December 31, 2021 and 2020 the fair value of the underlying securities purchased under resale agreements approximated the carrying values. Restricted cash represents funds being held in reserve under conditions of the loan agreements with National Commercial Bank Jamaica Limited, Terra Bank N.A. and RBC Royal Bank (note 21).

19. Share capital and reserves

A. Share capital

Authorised capital:

2,000,000,000 (2020: 1,000,000,000) ordinary stock units of no-par value.

(Expressed in United States Dollars unless otherwise stated)

19. Share capital and reserves (continued)

A. Share capital (continued)

	2021	2020
Issued and fully paid: 677,652,928 (2020: 677,662,399) ordinary stock units	$25,316,337	25,316,779

During the year, the capital was reduced to reflect cancellation of 9,471 stock units, which were bought back. Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

At an Extra-ordinary General Meeting held on February 23, 2021, the Company's ordinary shareholders approved a resolution to increase the number of authorised ordinary shares from 1,000,000,000 to 2,000,000,000.

B. Currency translation reserve

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

20. Treasury shares

The repurchase of the Company's stock units is conducted on the open market through the Company's stockbrokers, consequent on a decision of the Board of Directors. During the year, the Company repurchased 9,471 (2020: 50,000) stock units at a cost of $442 (2020: $2,231). At December 31, 2021 the Company held Nil (2020: Nil) of its stock units.

21. Loans payable

	Group		Company	
	2021	2020	2021	2020
Terra Bank N.A. (i)	-	56,231	-	-
RBC Royal Bank (ii)	8,600,564	9,092,222	-	-
First Caribbean International Bank (Jamaica) Limited (FCIB) (iii)	4,172,979	4,576,027	4,172,979	4,576,027
Victoria Mutual Investments Limited (iv)	4,470,410	-	4,470,410	-
Total bank loans at year end	17,243,953	13,724,480	8,643,389	4,576,027
Less current portion	(5,374,156)	(935,885)	(4,850,410)	(373,332)
Non-current portion	$11,869,797	12,788,595	3,792,979	4,202,695

(i) This represented a loan of $2,200,000 from Terra Bank N.A., a financial institution in Florida, payable by Kingston Properties Miami LLC. The loan was for a duration of ten (10) years at an interest rate of 4%.

The loan was secured by a first mortgage on ten (10) condominium units, being one (1) residential unit located at 3250 NE 1st Avenue in Miami, Florida and nine (9) residential condominiums at The Loft located at 135 NE 2nd Avenue, Miami, Florida. The loan balance was fully paid in January 2021.

21. Loans payable (continued)

(ii) This represents three loans of $6,000,000, $1,900,000 and $1,550,000 from RBC Royal Bank in the Cayman Islands, payable by Kingston Properties (St. Lucia) Limited.

The loan of $1,900,000 is for the refinancing of the previous loan of $1,500,000 and the loans of $6,000,000 and $1,550,000 is to finance the purchase of a new commercial property.

The loans are for a duration of fifteen (15) years at interest rates of 3 % and 3.5%.

The loans are secured by a debenture over the properties of Kingston Properties (St. Lucia) Limited located at West Bay Beach South, Block 12C, Parcel 198 H1-H12, Tropic Centre and Strata Plan 755, West Bay Beach South, Block 19A, Parcel 50 H5-H12, Rosedale Warehouses.

(iii) This represents loans of $2,160,000 and $2,900,000 payable by Kingston Properties Limited. Interest rates are 5.5% and 5.25% respectively, fixed for two years and thereafter at 3 month LIBOR plus 3.75%.

(iv) The loan of $2,160,000 was used to refinance the National Commercial Bank Jamaica Limited loan. The loan is for a duration of 7 years and is secured by a first legal mortgage over commercial property located at 36-38 Red Hills Road, Kingston.

The loan of $2,900,000 was used to purchase commercial property at 52-60 Grenada Crescent, Kingston 5. Jamaica. The loan is for a duration of 10 years and is secured by commercial property located at 52-60 Grenada Crescent.

The company requested and was granted a moratorium on principal and interest payments on two loans from April 24, 2020 until September 24, 2020. At the end of the moratorium period, accrued interest was capitalised and added to the outstanding principal balance. The maturity dates on the loan was extended by six months to February 24, 2026 and April 30, 2029 respectively, and the outstanding balance was re-amortized over the remaining term.

(v) This represents a senior secured bridge loan obtained from Victoria Mutual Investments Limited in the amount of JMD700,000,000 at an interest rate of 6.4%. The loan is for a duration of 13 months and was used to finance the acquisition of 232A Spanish Town Road and Rousseau Road properties as well as other capital projects and working capital support during the year.

Transaction costs of approximately $73,794 and $84,188 were incurred in obtaining loans (i) and (ii) respectively, while transactions costs of approximately $12,582 and $16,893 were incurred in obtaining the FCIB loans. During the year there was an additional transaction cost associated with the FCIB loans for annual review of $25,194. Transaction costs of $85,195 were incurred in obtaining the loan from Victoria Mutual Investments Limited.

These costs are deducted from the loan balances and are being amortised over the lives of the loans using the effective interest method.

(Expressed in United States Dollars unless otherwise stated)

22. Accounts payable and accrued charges

	Group		Company	
	2021	2020	2021	2020
Accounts payable	80,338	4,103	80,238	2,679
Accounting and audit fees	41,509	60,931	29,181	31,983
Dividends payable	25,897	14,120	25,897	14,120
Subscription [see (i)]	-	1,000,000	-	-
Other payables and accrued charges	227,051	121,358	117,384	34,867
Security deposits held	154,588	153,520	74,216	34,649
	$529,383	1,354,032	326,916	118,298

(i) The Group subscribed for units in a real estate fund operating in the USA during 2020. The obligation was settled in January 2021 [(see note 12(a)].

23. Dividends

	Group and Company	
	2021	2020
Dividend paid	$899,929	399,851

The Company paid a dividend of $0.0007 (2020: $0.00059) per share unit on March 11, 2021 as the first interim dividend for 2021 and a second interim dividend for 2021 of $0.0007 on July 23, 2021 (2020: $ Nil) per unit.

24. Segment reporting

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

	2021				
	Jamaica	United States of America	Cayman Islands	Elimination	Group
	$	$	$	$	$
External revenue	1,442,432	201,319	1,337,666	-	2,981,417
Operating expenses	(906,303)	(200,657)	(176,048)	-	(1,283,008)
Results of operating activities before other income	536,129	662	1,161,618	-	1,698,409
Other income/expenses:					
Fair value gain on revaluation of investment property	432,679	294,885	110,437	-	838,001
Balance brought forward	968,808	295,547	1,272,055	-	2,536,410

(Expressed in United States Dollars unless otherwise stated)

24. Segment reporting (continued)

	2021 Jamaica $	United States of America $	Cayman Islands $	Elimination $	Group $
Balance carried forward	968,808	295,547	1,272,055	-	2,536,410
Gain on disposal of investment property	-	246,386	-	-	246,386
Management fees	76,117	-	-	-	76,117
Impairment reversal/(loss) on financial assets	(10,000)	(5,000)	-	-	(15,000)
Gain on investment	-	534,553	-		534,553
Dividend income	-	75,622	-	-	75,622
Loss on disposal of furniture and equipment	-	(2,971)	-	-	(2,971)
Miscellaneous income	37,559	33,759	-	-	71,318
Interest income	11,585	-	49,265	-	60,850
Interest expense and commitment fees	(312,615)	(10,174)	(251,754)	-	(574,543)
Net loss on translation of foreign currency balances	105,307	-	(17,171)	-	88,136
Profit before tax	876,761	1,167,722	1,052,395	-	3,096,878
Income tax charge	(22,213)	(51,473)	(4,880)	-	(78,566)
Profit after tax	854,548	1,116,249	1,047,515	-	3,018,312
Segment assets	50,192,199	4,935,848	21,362,096	(26,019,795)	50,470,348
Segment liabilities	14,383,030	4,195,072	9,093,045	(9,835,296)	17,835,851
Other segment items:					
Capital expenditure	4,283,190	-	31,819	-	4,315,009
Depreciation	15,171	1,803	3,104	-	20,078

	2020 Jamaica $	United States of America $	Cayman Islands $	Elimination $	Group $
External revenue	969,710	326,038	834,979	-	2,130,727
Operating expenses	(600,402)	(351,692)	(148,388)	-	(1,100,482)
Results of operating activities before other income	369,308	(25,654)	686,591	-	1,030,245
Other income/expenses:					
Fair value gain/(loss) on revaluation of investment property	415,923	(98,384)	(10,000)	-	307,539
Loss on disposal of investment property	-	(78,392)	-	-	(78,392)
Balance brought forward	785,231	(202,430)	676,591	-	1,259,392

(Expressed in United States Dollars unless otherwise stated)

24. Segment reporting (continued)

	2020				
	Jamaica $	United States of America $	Cayman Islands $	Elimination $	Group $
Balance carried forward	785,231	(202,430)	676,591	-	1,259,392
Fair value gain on investment	-	85,219	-	-	85,219
Management fees	69,673	-	-	-	69,673
Impairment reversal/(loss) on financial assets	213,802	(6,241)	-	(210,552)	(2,991)
Miscellaneous income	2,573	563	-	-	3,136
Interest income	190,402	-	22,435	-	212,837
Interest expense and commitment fees	(255,780)	(80,709)	(170,677)	-	(507,166)
Net loss on translation of foreign currency balances	(522,753)	-	-	-	(522,753)
Profit/(loss) before tax	483,148	(203,598)	528,349	(210,552)	597,347
Income tax (credit)/charge	(15,522)	35,976	(5,076)	-	15,378
Profit/(loss) after tax	467,626	(167,622)	523,273	(210,552)	612,725
Segment assets	35,206,375	4,841,159	23,795,111	(18,247,577)	45,595,068
Segment liabilities	(4,967,745)	(5,216,631)	(18,230,627)	13,336,491	(15,078,512)
Other segment items:					
Capital expenditure	4,719,855	11,201	10,786,863	-	15,517,919
Depreciation	9,337	1,771	2,011	-	13,119

During the year, revenue from two (2020: two) customers of the Group represented approximately \$515,838 or 17% (2020: \$401,517 or 18%) of the Group's total revenue.

25. 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.

25. Financial instruments and financial risk management (continued)

(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 investment in real estate funds, cash and cash equivalents, receivables and reverse repurchase agreements.

Exposure to credit risks

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

(i) Cash and cash equivalents are held with financial institutions and collateral is not required for such accounts, as management regards the institutions as strong.

(ii) The Group manages credit risk related to receivables by limiting exposure to specific counterparties and by monitoring settlements.

(iii) Securities purchased under resale agreements expose the Group to credit losses as there is a risk that the counterparty will fail to fulfill its contractual obligations. The Group manages this risk by contracting only with counterparties that management considers to be financially sound.

(iv) Investment in real estate fund expose the Group to credit losses as there is a risk that the counterparty will fail to fulfill its contractual obligations. The Group manages this risk by contracting only with counterparty that management considers to be financially sound.

Expected credit loss assessment

Trade receivables:

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

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

(Expressed in United States Dollars unless otherwise stated)

25. Financial instruments and financial risk management (continued)

(a) Credit risk (continued)

Expected credit loss assessment (continued)

Trade receivables (continued):

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

	2021 Group			
	Weighted average loss rate	Gross carrying amount $	Loss allowance $	Credit impaired
Current (not past due)	0.00%	89,009	-	No
31-60 days past due	0.00%	27,310	-	No
More than 60 days past due	100.00%	125,287	45,381	Yes
		241,606	45,381	

	2020 Group			
	Weighted average loss rate	Gross carrying amount $	Loss allowance $	Credit impaired
Current (not past due)	00.00%	73,145	-	No
31-60 days past due	24.25%	1,740	422	No
More than 60 days past due	100.00%	29,959	29,959	Yes
		104,844	30,381	

	2021 Company			
	Weighted average loss rate	Gross carrying amount $	Loss allowance $	Credit impaired
Current (not past due)	0.00%	58,907	-	No
31-60 days past due	0.00%	35,318	-	No
More than 60 days past due	100.00%	38,067	11,992	Yes
		132,292	11,992	

(Expressed in United States Dollars unless otherwise stated)

25. Financial instruments and financial risk management (continued)

(a) Credit risk (continued)

Expected credit loss assessment (continued)

Trade receivables (continued):

	2020			
	Company			
	Weighted average loss rate	Gross carrying amount $	Loss allowance $	Credit impaired
Current (not past due)	0.00%	67,834	-	No
More than 60 days past due	100.00%	1,992	1,992	Yes
		69,826	1,992	

Cash and cash equivalents and securities purchased under resale agreements:

Risks relating to cash and bank balances and securities purchased under resale 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 securities purchased under resale agreements has been measured at 12- month expected loss basis and reflects the short maturities of the exposures. The Group considered that cash and resale agreements have low credit risk.

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

Related party balances:

The Group assesses each subsidiary's ability to pay if payment is demanded at the reporting date. Management reviews recovery scenarios considering given economic conditions and the borrowers' liquidity over the expected life of the recoverable. The expected credit losses are calculated on this basis.

(b) Liquidity risk

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

(Expressed in United States Dollars unless otherwise stated)

25. Financial instruments and financial risk management (continued)

(b) Liquidity risk (continued)

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

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

	Group 2021				
	Carrying value	Contractual cash flows	Within 3 months	3 to 12 months	Over 12 months
Loans payable	17,243,953	20,551,094	418,305	1,248,278	18,884,511
Accounts payable and accrued charges	529,383	529,383	529,383	-	-
	$17,773,336	21,080,477	947,688	1,248,278	17,046,594

	2020				
	Carrying value	Contractual cash flows	Within 3 months	3 to 12 months	Over 12 months
Loans payable	13,724,480	15,357,371	435,832	1,042,032	13,879,507
Accounts payable and accrued charges	1,354,032	1,354,032	1,354,032	-	-
	$15,078,512	16,711,403	1,789,864	1,042,032	13,879,507

	Company 2021				
	Carrying value	Contractual cash flows	Within 3 months	3 to 12 months	Over 12 months
Loans payable	8,643,389	9,777,422	220,009	5,166,965	4,390,448
Owed to subsidiaries	8,132,050	8,132,050	8,132,050	-	-
Accounts payable and accrued charges	326,916	326,916	326,916;	-	-
	$17,102,355	18,236,388	8,678,975	5,166,965	4,390,448

	2020				
	Carrying value	Contractual cash flows	Within 3 months	3 to 12 months	Over 12 months
Loans payable	4,576,027	3,704,198	151,208	447,148	3,105,836
Owed to subsidiaries	218,139	218,139	218,139	-	-
Accounts payable and accrued charges	118,298	118,298	118,298	-	-
	$4,912,464	4,040,635	487,645	447,148	3,105,836

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

(Expressed in United States Dollars unless otherwise stated)

25. Financial instruments and financial risk management (continued)

(c) Market risk

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

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

(i) Foreign currency risk

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

The exposure to foreign currency risk at the reporting date was as follows:

	Group		Company	
	2021	2020	2021	2020
	JMD	JMD	JMD	JMD
Foreign currency assets:				
Cash	22,751,436	27,290,419	10,743,114	24,458,451
Receivables	57,454,577	45,328,929	46,674,359	42,250,673
Securities purchased under resale agreements	100,000,000	-	100,000,000	-
	180,206,013	72,619,348	157,417,473	66,709,124
Foreign currency liabilities:				
Loans	(700,000,000)	-	(700,000,000)	-
Payables and accrued charges	(26,732,313)	(17,046,110)	(18,850,751)	(9,164,547)
Net foreign currency assets	$(546,526,300)	55,573,238	(561,433,278)	57,544,577

Sensitivity to foreign exchange rate movements

An 8% (2020: 6%) weakening of the Jamaica dollar against the United States dollar at December 31, 2021 would have decrease the profit of the Group and the Company by $288,366 (2020: $22,199) and $296,232 (2020: $22,986), respectively. The analysis assumes that all other variables, in particular, interest rates, remain constant.

A 2% (2020: 4%) strengthening of the Jamaica dollar against the United States dollar at December 31, 2021 would have increase the profit of the Group and the Company by $72,092 (2020: $16,341) and $74,058 (2020: $16,920) respectively, on the basis that all other variables remain constant.

(Expressed in United States Dollars unless otherwise stated)

25. Financial instruments and financial risk management (continued)

(c) Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity to foreign exchange rate movements (continued)

The following rates of exchange of JMD for one US$ applied for the year:

	Average rate		Reporting date spot rate			
	2021	2020	2021		2020	
			Buying	Selling	Buying	Selling
	JMD	JMD	JMD	JMD	JMD	JMD
United States Dollar (US$)	151.62	143.27	152.75	155.09	140.77	142.65

(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 resale agreements, which have been contracted at fixed interest rates for the duration of their terms. Interest-bearing financial liability comprise loans payable.

Sensitivity to interest rate movements

The Group's exposure to interest rate risk arises from its loan payable with RBC Royal Bank, all other loans are at fixed rates of interest. Any 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.

26. Fair value

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

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

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

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

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

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. There were no transfers between levels during the year.

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

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 borrowings 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 Covid-19

The World Health Organisation in March 2020 declared the novel coronavirus, COVID-19, as a global pandemic. A number of measures to reduce the spread of the virus have been implemented in the countries where the Group operates, and these measures have had adverse economic effects on the financial operations of some stakeholders. The Group has therefore implemented measures to minimise the impact of the pandemic on its operations.

Based on management's assessment the Group has not been significantly impacted as there were no changes to existing rent agreements due to the global pandemic, no significant revenue fallout or rent concessions and the Group continued its expansion strategy by increasing its investment property portfolio during the year. The Group continues to experience great resilience in its operations with higher than expected occupancy and significant growth in Group revenues.

Management believes that although it may take a while to return to full normalcy, having assessed the COVID-19 impact and various possible outcomes, all necessary measures are in place to ensure the continuity of the Group.

29. Subsequent events

Restructuring of subsidiaries

On January 3, 2022, the Company transferred 100% of its shareholdings in Kingston Properties (St. Lucia) Limited to KPREIT (St Lucia) Limited, a wholly owned subsidiary of the Company.

On January 4, 2022 Kingston Properties (St. Lucia) Limited was re-domiciled in the Cayman Islands by way of continuation, and its name changed on the said date to KPREIT (Cayman) Limited.

KINGSTON PROPERTIES LIMITED

THE REIT

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Kingston Properties Limited

OPERATING EXPENSES

Year ended December 31, 2021

(Expressed in United States Dollars unless otherwise stated)

	Group		Company	
	2021	2020	2021	2020
Accounting fees	5,764	4,400	-	-
Advertising and promotion	19,407	10,628	19,407	10,628
Audit fees	52,621	60,521	29,013	33,688
Bank charges	4,369	3,779	1,319	741
Broker fees	78,972	66,705	75,252	-
Business licenses and permits	6,195	6,496	-	-
Computer and internet expenses	5,305	12,014	5,305	10,739
Courier	4,079	4,754	4,079	4,754
County and state taxes	-	93	-	-
Depreciation	20,078	13,119	15,171	9,337
Development	1,497	540	1,497	540
Directors' fees`	63,750	47,450	31,875	23,725
Donations	9,931	6,953	9,931	6,953
Dues and subscription	5,621	3,920	4,494	2,631
General expense	4,936	5,324	3,724	1,811
Homeowners' Association fees	93,171	177,702	-	-
Insurance	124,476	86,179	82,185	42,889
Management fees	20,707	19,276	-	-
Meals and entertainment	2,428	2,045	2,428	2,045
Meeting expenses	2,322	2,107	2,322	2,107
Office supplies	1,538	1,402	1,512	1,324
Penalties	108	1,557	108	74
Postage and delivery	234	173	-	4
Printing and reproduction	4,839	3,420	4,839	3,420
Professional fees	60,559	34,358	22,392	19,547
Property taxes	52,594	108,302	8,199	6,074
Regulatory fees and charges	22,672	17,833	22,672	17,833
Repairs and maintenance	44,387	28,352	7,895	-
Salaries and related costs	532,525	337,841	460,104	304,057
Security	3,700	-	3,700	-
Strata fees	26,339	26,339	-	-
Telephone & answering services	2,708	1,731	2,708	1,731
Travel accommodations	309	100	309	100
Utilities	4,867	5,069	3,905	1,399
	$1,283,008	1,100,482	826,345	508,151

APPENDIX 3:
AUDITORS' CONSENT LETTER

KPMG

KPMG
Chartered Accountants
P.O. Box 436
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922-6640
firmmail@kpmg.com.jm

Private and Confidential

February 25, 2022

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

Ladies and Gentlemen:

Prospectus for the issue of 200,000,000 ordinary shares (with the ability to upsize to a maximum of 50% of the new ordinary shares) at a subscription price of J$7.50 per new ordinary share.

With respect to the captioned prospectus for the offer of ordinary shares by Kingston Properties Limited ("the Company"), we hereby consent to the inclusion in the prospectus of:

- Our auditors' report dated January 17, 2022, on the summary consolidated financial statements, which comprise the summary consolidated statements of financial position, profit or loss and other comprehensive income and dividends paid for each of the five years ended December 31, 2016 to December 31, 2020.

- Our auditors' report dated March 1, 2021, on the separate financial statements of Kingston Properties Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the Group's and Company's statements of financial position as at December 31, 2020, the Group's and Company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information; and

- References to our name in the form and context in which it is included in the prospectus.

February 25, 2022

The Board of Directors
Kingston Properties Limited

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

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

Yours faithfully,
For and on behalf of KPMG

KPMG

Karen Ragoobirsingh
Partner, Audit

KMR:YB-W:mas

APPENDIX 4:

LIST OF LOCATIONS FOR LEAD BROKER AND SELLING AGENTS

VMBS GROUP LOCATIONS

NEW KINGSTON
53 Knutsford Boulevard, Kingston 5
Tel: (876) 929- 5412
Fax: (876) 929-5489

DUKE STREET
8-10 Duke Street, Kingston
Tel: (876) 922-8627 | (876) 922-9410
Fax: (876) 922-6602

HALF WAY TREE
73-75 Half Way Tree Road,
Kingston 10
Tel: (876) 754-8627
Fax: (876) 926-4604

FALMOUTH
15 Market Street, Falmouth
Tel: (876) 954-4040 | (876) 954-3207
(876) 954-3538 | (876) 954-4639;
Fax: (876) 954-3728

LIGUANEA
Unit 1 Liguanea Post Mall,
115 Hope Road, Kingston 6
Tel: (876) 927-7228 | (876) 927-7294
(876) 927-7272
Fax: (876) 927-7319

LINSTEAD
Tel: 110 King Street, Linstead,
St. Catherine
Tel: (876) 985-2177 | (876) 985-7444
Fax: (876) 985-2173

MANDEVILLE
Shop # 3 Manchester Shopping Centre,
Mandeville, Manchester
Tel: (876) 962-1030-3
Fax: (876) 962-1088

MAY PEN
40 Main Street, May Pen, Clarendon
Tel: (876) 986-2245-50
Fax: (876) 986-2119

MONTEGO BAY
30-34 Market Street,
Montego Bay, St. James, Jamaica
Tel: (876) 952-3772- 6 | (876) 952-5573-4
Fax: (876) 952-7515

OCHO RIOS
7 Newlin Street, Ocho Rios, St. Ann
Tel: (876) 974-5412 | (876) 974 -1272
Fax: (876) 974-7862

PAPINE
University of Technology (Utech)
237 Old Hope Road, Kingston 6
Tel: (876) 927-0792 | (876) 970-1166
Fax: (876) 702-4638

PORTMORE
Lot 1, Sea Grape Close,
Portmore, St. Catherine
Tel: (876) 939-7955 | (876) 939-7972
Fax: (876) 939-7946

SANTA CRUZ
56 Main Street, Santa Cruz, St. Elizabeth
Tel: (876) 966-9948 | (876) 966-9958

SAVANNA-LA-MAR
123 Great George Street,
Savanna-la-Mar, Westmoreland
Tel: (876) 955-4940 | 4941/4964

SPANISH TOWN
22 Oxford Road,
Spanish Town, St. Catherine
Tel: (876) 984-2629 | (876) 984-2633

SELLING AGENTS

JMMB SECURITIES LTD
6 Haughton Terrace,
Kingston 10
Tel: (876) 920-5050

SAGICOR INVESTMENTS JAMAICA LTD
The Sagicor Building
85 Hope Road, Kingston 6
Tel: 888-SAGICOR (724-4267)

JN FUND MANAGERS LTD
2 Belmont Road,
Kingston 5
Tel: (876) 929-2289

SCOTIA INVESTMENTS JAMAICA LTD
7 Holborn Road,
Kingston 5
Tel: 1-888-429-5745

BARITA INVESTMENTS LTD
15 St Lucia Way,
Kingston 5
Tel: (876) 926-2681

APPENDIX 5:
DIGITAL APPLICATION GUIDE.

Victoria Mutual Wealth Management Limited's Wealth IPO Edge Portal Application Guide

1. **Download Prospectus**
   - Navigate to *"Offerings"* from the main screen.
   - Navigate to *"More Details"* of available IPO offering.
   - Click *"View Prospectus"*

   Note: A pop-up window will appear to download document with the option to choose destination folder.

2. **User Registration**
   - On your device, visit https://wealthipo.vmbs.com.
   - Select *"Sign Up"*
   - Complete all the required fields and submit.

3. **Activating User Account**
   - After registering as a new user, go to the email used in the sign-up process.
   - Click the link received in the email to confirm your email address.
   - Log into the platform

4. **Account Log In**
   - Navigate to the home page.
   - Select *"Log in"*
   - Enter email address & password credentials used to sign up.
   - Click Log In button.

   Note: If password is forgotten, use the 'forget password' feature to create a new password.

5. **Register JSCD Account & Add Joint Holder(s)**
   - Log in.
   - Go to the "My Accounts" Tab
   - Navigate to "Add Account"
   - Complete all required fields.
   - Review details and click Submit.

6. **Apply for Offering**
   - Navigate to "Offerings" from the main screen.
   - Navigate to "More Details" of available IPO Offering.
   - Click "Apply Now" to begin application.
   - Complete required fields to apply for the offering.
   - For joint accounts, upload the signatures of all the members listed on the account.
   - Click submit to complete application process.

7. **Cancel IPO/APO Application**
   - Navigate to "My Applications".
   - Select IPO/APO you subscribed to and select "view".
   - Click "Cancel" and confirm to cancel application.

THE REIT

KINGSTON PROPERTIES LIMITED

36-38 Red Hills Road,
Kingston 10, Jamaica W.I.
Tel | Fax: 876-754-7840

info@kpreit.com | www.kpreit.com