THE REIT

Kingston Properties Limited

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May 15, 2015

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2015

The Board of Directors is pleased to present, for the shareholders and the investing public at large, the unaudited consolidated financial statements for the quarter ended March 31, 2015.

Income Statement

For the three months ended March 31, 2015, **group rental income** was $25.6 million versus $25.0 million for the March 2014 quarter. This reflects a shift in the composition of the investment portfolio as a result of the sale of the Hagley Park building, the four (4) condo units in the Miami Loft II building and the purchase of the nineteen (19) unit apartment building.

Profit for the period was $10.5 million compared with $2.4 million for the similar period last year. This is primarily a result of the $7.1 million decline in net unrealized losses on translation of foreign currency investments and borrowings and $3.6 million increase in income tax credit.

Group operating expenses, which consist of direct property expenses and administrative costs, were $16.1 million, versus $13.3 million for the similar period a year ago. Direct property expenses include insurance, property taxes, homeowners' association (HOA) fees, broker fees and repairs & maintenance. These represented 55.6% of operating expenses for the March 2015 quarter versus 57.7% for the similar period last year.

Group net finance costs were $6.1 million for the quarter ended March 31, 2015 compared with $12.5 million for the similar period in 2014. These amounts include unrealized foreign currency translation losses of $1.3 million and $8.5 million respectively.

Total group comprehensive income for the period was $12.25 million, versus the $18.2 million reported for the quarter ended March 31, 2014. Group comprehensive income consists of foreign currency translation differences for foreign operations.

Balance Sheet

Kingston Properties' significant balance sheet assets are **Investment Properties** of $955.6 million at March 31, 2015 versus $1.0 billion at March 31, 2014. The decrease is primarily as a result of portfolio shifts, which include sale of four (4) units in the Miami Loft II building, sale of the Hagley Park office/warehouse and purchase of a nineteen (19) unit apartment building.

Kingston Properties Limited

Cash & cash equivalent plus reverse repurchase agreements totaled $428.0 million compared with $216.5 million for the similar period last year. Included in cash & cash equivalent are restricted amounts of $208.2 million and sales proceeds from the disposal of the Hagley Park building.

Total group liabilities were $559.7 million at March 31, 2015 versus $443.1 million at March 31, 2014. The liabilities are primarily mortgage loans collateralized by the properties. The year-over-year increase is mostly as a result of additional mortgage loans for the newly acquired nineteen (19) unit apartment building.

Dividends

Dividends declared in the March 2015 quarter was US$0.0029 per share for a total of US$200,000. This represents approximately 15.7% increase versus the dividends declared in the March 2014 quarter of US$0.0025 per share.

Earnings Per Stock Unit

Earnings Per Stock Unit (EPS) for the quarter was $0.15 compared with negative $0.03 for the similar quarter last year.

Summary

For the quarter, the operations and property management results reflect the investment property portfolio changes in terms of sales and purchases. Occupancy rates remained high. Rent collection was steady and we continue to respond promptly to tenant issues.

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

Garfield Sinclair
Chairman

Fayval Williams
Executive Director

KINGSTON PROPERTIES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

THREE (3) MONTHS ENDED MARCH 31, 2015

KINGSTON PROPERTIES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2015

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KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2015

	Notes	Unaudited Three (3) months ended March 31, 2015 $'000	Unaudited Three (3) months ended March 31, 2014 $'000	Audited Year ended December 31, 2014 $'000
Revenues:				
Rental income		**25,593**	24,995	108,049
Operating expenses		**(16,111)**	(13,295)	(56,823)
Results of operating activities before other income/gains		**9,482**	11,700	51,226
Other (expense), income/gains:				
(Loss)/gain on disposal of investment properties		**(580)**	-	497
Miscellaneous income		**81**	84	348
Profit before net finance costs and impairment costs		**8,983**	11,784	52,071
Finance income		**2,658**	1,831	7,557
Finance cost		**(8,724)**	(14,295)	(53,258)
Net finance costs	**3**	**(6,066)**	(12,464)	(45,701)
Impairment loss		**-**	-	(4,057)
Profit/(loss) before income tax		**2,917**	(680)	2,313
Income tax credit/(charge)		**7,629**	3,051	(3,450)
Profit / (loss) for the period/year		**10,546**	2,371	(1,137)
Other comprehensive income				
Foreign currency translation differences for foreign operations, being total comprehensive income		**1,704**	15,801	45,058
Total comprehensive income for the period / year		**12,250**	18,172	43,921
Earnings per share for profit attributable to the equity holders of the Company:				
Number of shares		**68,232**	68,800	68,372
Earnings per stock unit:		**15 cents**	3 cents	(0.02) cents

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT MARCH 31, 2015

	Notes	Unaudited as at March 31, 2015 $'000	Unaudited as at March 31, 2014 $'000	Audited as at December 31, 2014 $'000
NON-CURRENT ASSETS				
Investment properties	4	955,633	1,016,131	953,789
Land held for development	5	19,082	18,730	18,497
Furniture, software and equipment		2,752	3,008	2,850
Total non-current assets		977,467	1,037,869	975,136
CURRENT ASSETS				
Investment property held for sale		-	-	196,676
Receivables and prepayments	6	17,062	18,301	13,518
Reverse repurchase agreements		198,334	3,627	488
Cash and cash equivalents		229,703	212,781	232,660
Total current assets		445,099	234,709	443,342
Total assets		1,422,566	1,272,578	1,418,478
EQUITY				
Share capital		406,609	406,609	406,609
Treasury shares		(4,586)	-	(3,293)
Cumulative translation reserve		196,809	165,848	195,105
Retained earnings		264,058	257,020	253,512
Total equity		862,890	829,477	851,933
NON-CURRENT LIABILITIES				
Loans payable	7	243,924	139,907	247,747
Deferred tax liabilities		42,657	45,727	52,755
		286,581	185,634	300,502
CURRENT LIABILITIES				
Loans payable	7	238,921	227,760	238,604
Accounts payable and accrued charges	8	25,175	26,829	25,078
Bank overdraft		6,152	2,757	-
Income tax payable		2,847	121	2,361
Total current liabilities		273,095	257,467	266,043
Total equity and liabilities		1,422,566	1,272,578	1,418,478

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2015

	Share capital $'000	Treasury shares $'000	Cumulative translation reserve $'000	Retained earnings $'000	Total $'000
Audited, balances at December 31, 2013 as previously reported	406,609	-	150,047	273,182	829,838
Profit, being comprehensive income for the period	-	-	-	2,371	2,371
Translation of foreign subsidiaries' balances, being total other comprehensive income for the period	-	-	15,801	-	15,801
Contributions by and distributions to owners:					
Dividend declared , being total distributions to owners	-	-	-	(18,533)	(18,533)
Unaudited, balances at March 31, 2014	**406,609**	**-**	**165,848**	**257,020**	**829,477**
Audited, balances at December 31, 2014	**406,609**	**(3,293)**	**195,105**	**253,512**	**851,933**
Transaction with owners of the company					
Shares repurchased	-	(1,293)	-	-	(1,293)
Profit, being comprehensive income for the period	-	-	-	10,546	10,546
Translation of foreign subsidiaries' balances, being total other comprehensive income for the period	-	-	1,704	-	1,704
Unaudited, balances at March 31, 2015	**406,609**	**(4,586)**	**196,809**	**264,058**	**862,890**

KINGSTON PROPERTIES LIMITED
GROUP STATEMENT OF CASH FLOWS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2015

	Unaudited Three (3) months ended March 31, 2015 $'000	Unaudited Three (3) months ended March 31, 2014 $'000		Audited Year ended December 31, 2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (loss) for the period /year	**10,546**	2,371		(1,137)
Adjustments to reconcile profit for the period / year to net cash provided by / (used in) operating activities:				
Taxation credit	**(7,629)**	(3,051)		3,450
Depreciation	**98**	95		408
Interest income	**(2,658)**	(1,831)		(7,557)
Impairment loss	**-**	-		4,057
Interest expense and commitment fees	**7,281**	5,787		25,693
Loss /(gain) on disposal of investment property	**580**	-		(497)
Unrealized foreign exchange loss	**1,420**	12,607	*	30,733
Operating profit before changes in working capital	**9,638**	15,978		55,150
Changes in:				
Other receivables	**(3,544)**	(5,010)		(569)
Accounts payable and accrued charges	**98**	2,476		725
Income tax paid	**(2,198)**	-		(7)
Net cash provided by operations	**3,994**	13,444		55,299
Cash flows from investing activities				
Interest received	**2,658**	228		6,296
Securities purchased under agreements to resell	**(197,846)**	10,929		14,069
Additions to office equipment	**-**	(281)		(435)
Land held for development	**(585)**	(233)		-
Proceeds from disposal of investment property	**196,096**	-		101,488
Additions to investment property	**-**	(735)		(221,785)
Net cash provided by /(used in) investing activities	**323**	9,908		(100,367)
Cash flows from financing activities				
Interest paid	**(7,281)**	(5,787)		(25,693)
Dividend paid	**-**	(18,533)		(18,533)
Treasury shares	**(1,293)**	-		(3,293)
Loan received	**-**	-		107,672
Change in loans payable	**(3,506)**	7,381		5,510
Net cash (used in) / provided by financing activities	**(12,080)**	(16,939)		65,663
Net (decrease) / increase in cash and cash equivalents	**(7,766)**	6,413		20,595
Cash and cash equivalents at beginning of period:	**232,662**	212,064		212,064
Effect of exchange rate fluctuations on cash and cash equivalents	**(1,345)**	(8,453)		3
Cash and cash equivalents at end of period / year	**223,551**	210,024		232,662
Represented by:				
Bank overdraft	**(6,152)**	(2,757)		-
Cash and cash equivalents	**229,703**	212,781		232,660
	223,551	210,024		232,660

*- Restated

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2015

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

Kingston Properties Limited (the "Company ") was incorporated in Jamaica under the Companies Act on April 21, 2008. The Company is domiciled in Jamaica, with its registered office at 7 Stanton Terrace, Kingston 6, Jamaica. The Company is listed on the Jamaica Stock Exchange.

The Company has two wholly owned subsidiaries:

(i) Carlton Savannah REIT (St. Lucia) Limited, incorporated in St. Lucia under the International Business Companies Act of 1999 on May 8, 2008; and its wholly owned subsidiary:

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

The Company and its subsidiaries are collectively referred to as “Group”. In these financial statements 'parent' refers to the Company and intermediate parent refers to its wholly owned subsidiary, Carlton Savannah REIT(St. Lucia) Limited.

The principal activity of the Group is real estate investment.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of certain fixed and financial assets and are expressed in Jamaican dollars.

These financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting.

The interim financial report is to be read in conjunction with the audited financial statements for the year ended December 31, 2014. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended December 31, 2014.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended December 31, 2014.

(b) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Actual results could differ from these estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Consolidation:

(i) Subsidiaries

A subsidiary is an enterprise controlled by the Group. Control exists when the Group 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 entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date the control ceases.

(ii) Transactions eliminated on consolidation

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

(d) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements, (referred to in IAS 24 *Related Party Disclosures* as the 'reporting entity', in this case the Group).

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

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

- (i) 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).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items, are included in the statement of comprehensive income for the period.

(f) Investment properties

Investment properties, comprising, a commercial complex, warehouse building and residential condominiums, are held for long-term rental yields and capital gain.

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

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

(g) Furniture, software and equipment

(i) Items of office equipment are stated at cost less accumulated depreciation and impairment losses, if any.

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

The costs of day-to-day servicing of office equipment are recognized in the statement of comprehensive income as incurred.

(ii) Depreciation is recognized in the statement of comprehensive income on the straight-line basis, over the estimated useful life of the asset. The depreciation rate for the furniture, software equipment are as follows:

Computer and accessories	20%
Furniture and fixtures	10%

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Receivables

Receivables are stated at amortized cost less, impairment losses, if any.

(i) Reverse repurchase agreements

Reverse repurchase agreements are transactions in which the Group makes funds available to institutions by entering into short-term agreements with those institutions. On delivering the funds, the Group receives the securities, or other documents evidencing a claim on the securities, and agrees to resell the securities, or surrender the documents evidencing the claim, on a specified date and at a specified price. Reverse repurchase agreements are accounted for as short-term collateralized lending. The difference between sale and purchase consideration is recognized as interest income on the accrual basis over the term of the agreement.

(j) Cash and cash equivalents

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

(k) Accounts payable and accrued charges

Accounts payable and accrued charges are stated at cost.

(l) Revenue recognition:

Rental income and maintenance expenses are recorded in these financial statements on the accrual basis using the straight line method.

(m) Income tax

The income tax charge for the year comprises current and deferred tax. Income tax is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognized only to the extent management can demonstrate that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current and deferred tax assets and liabilities are offset in the statement of financial position if they apply to the same tax authority.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Segment reporting

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

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

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

(o) Land held for development

Land held for development is carried at the lower of cost and net realizable value. Cost includes acquisition costs and transaction costs.

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2015

3. Finance costs

	Unaudited Quarter ended Mach 31, 2015 $'000	Unaudited Quarter ended Mach 31, 2014 $'000	Audited Year end December 31, 2014 $'000
Finance income			
Interest income	**2,658**	1,831	7,557
Finance costs:			
Interest expense	**(7,122)**	(5,527)	(25,693)
Commitment fees-bank loan	**(160)**	(260)	-
Amortization cost	**1**	-	-
Foreign exchange gains and losses arising from investing and financing activities:			
Net unrealized losses on translation of foreign currency investments and borrowings	**(1,345)**	(8,453)	(27,748)
Net realized losses on conversion of foreign exchange investments and borrowings	**(98)**	(55)	183
Total finance cost	**(8,724)**	(14,295)	(53,258)
Net finance cost	**(6,066)**	(12,464)	(45,701)

4. Investment properties

Investment properties held by the group are as follows:

		Unaudited Quarter ended March 31, 2015 $'000	Unaudited Quarter ended March 31, 2014 $'000	Audited Year ended December 31, 2014 $'000
(i)	Hagley Park Road warehouse	**-**	200,747	-
(ii)	Miami condominiums	**353,368**	434,887	352,229
(iii)	Miami apartment complex	**218,675**	-	217,970
(iv)	Red Hills Road commercial complex	**383,590**	380,497	383,590
		955,633	1,016,131	953,789

(i) This represents 26,000 square feet of commercial property located on Hagley Park Road, Kingston, Jamaica, which was disposed in January 2015.

(ii) This represents 12,038 [(March 31, 2014: 16,092; December 31, 2014: 12,380)] square feet of residential condominium space comprising 15 [(March 31, 2014: 19; December 31, 2014: 15)] units in the Loft II building located at 133 NE 2nd Avenue in downtown Miami, Florida.

(iii) This represents a 19 unit apartment complex, purchased in 2014, located at 555 NW 4th Street, Miami, Florida.

(iv) This represents 47,865 square feet of commercial property located on Red Hills Road, Kingston, Jamaica.

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2015

5. Land held for development

	Unaudited March 31, 2015 $'000	Unaudited March 31, 2014 $'000	Audited December 31, 2014 $'000
	19,082	18,730	18,497

This represents land held for development in Waterworks, Westmoreland, Jamaica.

6. Receivables and prepayments

	Unaudited March 31, 2015 $'000	Unaudited March 31, 2014 $'000	Audited December 31, 2014 $'000
Rent receivables	**997**	656	541
Withholding tax recoverable	**4,135**	3,807	6,149
Security deposits	**2,264**	2,556	2,331
Prepayments	**4,406**	4,144	2,508
Interest receivables	**3,200**	-	1,261
Other prepayments	**2,060**	7,138	728
	17,062	18,301	13,518

7. Loans payable

	Unaudited March 31, 2015 $'000	Unaudited March 31, 2014 $'000	Audited December 31, 2014 $'000
Bank loan - [see (i)]			
Face amount	**218,583**	208,191	217,855
Un-amortized transaction costs	**(480)**	(259)	-
Carrying value	**218,103**	207,932	217,855
Vendor's mortgage [see (ii)]	**34,500**	50,149	39,010
Total bank loans and vendor's mortgage	**252,603**	258,081	256,865
Other mortgage loan - No 1 [see (iii)]			
Face amount	**122,866**	117,026	122,457
Un-amortized transaction costs	**(5,498)**	(7,440)	(6,047)
	117,368	109,586	116,410
Other mortgage loan - No 2 [see (iv)]	**112,874**	-	113,076
Total loans payable	**482,845**	367,667	486,351

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2015

7. Loans payable (cont'd):

	Unaudited	Unaudited	Audited
	March 31, 2015	March 31, 2014	December 31, 2014
	$'000	$'000	$'000
Classified as follows:			
Non-current			
Vendor's mortgage [see (ii)]	**13,682**	30,321	18,261
Other mortgage loan [see (iii)]	**117,368**	109,586	116,410
Other mortgage loan [see (iv)]	**112,874**	-	113,076
	243,924	139,907	247,747
Current			
Bank loan (i)	**218,103**	207,932	217,855
Vendor's mortgage (ii)	**20,818**	19,828	20,749
	238,921	227,760	238,604

(i) **Bank loans**

Sagicor Bank Jamaica Limited (formerly Pan Caribbean Bank Limited)

This represents a draw down under a credit facility of US$1,899,988 (J$218,582,650); [March 31, 2014; US$1,899,988, (J$208,191,360)]; December 31, 2014: US$1,899,988 (J$217,855,330)] evidenced by a promissory note. The loan currently attracts interest at a rate of 5% per annum. The loan was renewed on January 14, 2015 and is repayable twelve months from date of disbursement.

It is secured by hypothecation of a deposit of US$1,952,000, [March 31, 2014: US$1,952,000; December 31, 2014: US$1,952,000] held by a subsidiary with the bank, and a corporate guarantee of that subsidiary limited to the extent of the facility.

(ii) **Vendor's mortgage**

This represents amounts owing under a mortgage of US$780,000 from the vendor of the Red Hills Road property. It bears interest at a rate of 6% per annum and is repayable in sixty (60) monthly installments, which commenced on January 1, 2012. The balance at March 31, 2015 is US$299,885 (J$34,499,781); [March 31, 2014: US$ 457,767, (J$50,149,586); December 31, 2014: US$340,222, (J$39,010,132)].

(iii) **Other mortgage loan - No 1 - Best Meridian Insurance Company**

This represents a promissory note of US$1,068,000 (2014: US$1,068,000) payable by Kingston Properties Miami LLC to Best Meridian Insurance Company, a Florida corporation. The note attracts interest at a rate of 6.5% per annum, with monthly interest payments US$5,785, which commenced on October 1, 2012. These monthly payments continue on the first day of each month thereafter until September 01, 2017, at which time the remaining unpaid principal balance and accrued interest will become due and payable. The note is secured by a mortgage over the condominiums, known as Loft II, located in Miami-Dade County, Florida, owned by the Group. The balance at March 31, 2015 is US$1,068,000, (J$122,868,458); [March 31, 2014: US$1,068,000, (J$117,025,459); December 31, 2014: US$1,068,000, (J$122,457,627)].

Transaction costs of approximately US$99,000 were incurred in obtaining the loan. These costs were deducted from the loan balance and are being amortized over the life of the loan. The balance at March 31, 2015 is US$48,024, (J$5,498,232); [March 31, 2014: US$67,896, (J$7,439,671); December 31, 2014: US$52,991, (J$6,047,388)].

(iv) **Other mortgage loan - No 2 - Inter - American Bank**

This represents a loan of US$990,000 payable by Kingston Properties Miami LLC to the Inter - american Bank, a financial institution in Florida. Interest is charged at 5.25% with effect from October 5, 2014 during the first five years; thereafter, the interest rate shall be adjusted to a fixed rate per annum calculated by adding 1.00% to the then New York Prime rate as published in the Wall Street Journal.

The loan is repayable on September 5, 2024. It is secured by a first mortgage lien and a first lien security interest on the property at 555 SW 4th Street, and on all improvements, furniture, fixtures and personal property (tangible and intangible) thereon or with respect thereto, including a first priority interest in the assignment of rents, leases and profits. The balance at March 31, 2015 is US$981,146, (J$112,874,496); [December 31, 2014: US$986,179, (J$113,076,005)]

KINGSTON PROPERTIES LIMITED
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8. Accounts payable and accrued charges

	Unaudited March 31, 2015 $'000	Unaudited March 31, 2014 $'000	Audited December 31, 2014 $'000
Accounts payable	**4,033**	2,093	1,162
Interest payable	**2,372**	-	1,109
Accounting and audit fees	**941**	1,149	3,256
Dividend payable	**217**	1,904	217
Other payables and accrued charges	**8,344**	9,701	6,280
Security deposits held	**9,268**	11,982	13,054
	25,175	26,829	25,078

9. Segment reporting

The Group has three operating segments, rental of real estate, which includes the earning of income from the ownership of real estate. Internal management reports are reviewed monthly by the Board. Information regarding the reportable segment is included below.

Performance is measured on segment profit before income tax, as included in the internal management reports that are reviewed by the Board. Segment reporting is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segment compared to other entities that operated within these industries.

	Unaudited Three (3) months ended March 31, 2015				
	Jamaica $'000	**United States of America $'000**	**St. Lucia $'000**	**Consolidated adjustments and eliminations $'000**	**Total Group $'000**
Revenues	**11,821**	**13,772**	**-**	**-**	**25,593**
Profit for the period	**4,836**	**4,391**	**1,319**	**-**	**10,546**

	Unaudited as at March 31, 2015				
	Jamaica $'000	**United States of America $'000**	**St. Lucia $'000**	**Consolidated adjustments and eliminations $'000**	**Total Group $'000**
Segment assets	**943,223**	**760,367**	**438,745**	**(719,769)**	**1,422,566**
Segment liabilities	**450,796**	**544,246**	**2,247**	**(437,613)**	**559,676**

KINGSTON PROPERTIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

THREE (3) MONTHS ENDED MARCH 31, 2015

9. Segment reporting (cont'd):

	Unaudited Three (3) months ended March 31, 2014				
	Jamaica $'000	United States of America $'000	St. Lucia $'000	Consolidated adjustments and eliminations $'000	Total Group $'000
Revenues	16,437	8,558	-	-	24,995
(Loss) / profit for the period	(1,371)	2,260	1,482	-	2,371

	Unaudited as at March 31, 2014				
	Jamaica $'000	United States of America $'000	St. Lucia $'000	Consolidated adjustments and eliminations $'000	Total Group $'000
Segment assets	938,330	597,512	420,838	(684,102)	1,272,578
Segment liabilities	428,153	416,136	757	(401,945)	443,101

	Audited Year ended December 31, 2014				
	Jamaica $'000	United States of America $'000	St. Lucia $'000	Consolidated adjustments and eliminations $'000	Total Group $'000
Revenues	68,685	39,364	-	-	108,049
(Loss) / profit for the year	(19,371)	9,027	5,853	(3,354)	(1,137)

	Audited as at December 31, 2014				
	Jamaica $'000	United States of America $'000	St. Lucia $'000	Consolidated adjustments and eliminations $'000	Total Group $'000
Segment assets	930,169	751,777	436,082	(699,550)	1,418,478
Segment liabilities	441,284	541,035	1,619	(417,393)	566,545