

KPREIT ACQUIRES ANOTHER PROPERTY IN THE CAYMAN ISLANDS

Kingston Properties Limited (*JSE Symbol: **KPREIT***) has acquired Harbour Centre, a multi-story office building in the Cayman Islands making it the third acquisition in the Cayman Islands since January 2017. The property is 100% leased to firms in the following sectors: Banking and Funds Administration, Law, Real Estate Investment, Government and Retail. The purchase of the property is part of KPREIT's strategy to continue to diversify its holdings into markets that have shown robust economic growth and into different sub-classes of real estate.



In January 2019, the Cayman Islands Government enacted the Economic Substance Law which is aimed at increasing the level of substance by companies in the Cayman Islands and to address the concerns of the European Union about harmful tax and profit shifting practices. With this law, the island has seen an increase in the demand for office space to satisfy the requirements of this new law.

The property was acquired for a consideration of approximately USD10.7 million, making it the single largest acquisition by KPREIT in its twelve (12) year history. The purchase was financed by cash resources of the Company as well as a loan facility from one of its financing partners in the Cayman Islands.

KPREIT has also disposed of the last condo unit held in the Midblock Condominiums in Miami, Florida for a consideration of USD410,000. That sale was in keeping with the strategy of disposing of condos held in the South Florida market to acquire properties in markets or in property sub classes that generate a higher return on investment. With this disposal, the original loan of USD2.2 million from TerraBank has now been fully paid out.

The Harbour Centre acquisition has moved the concentration of assets in the Cayman Islands to 46.5% from 21.9%, while the concentration of assets in the US has declined to 13.2% from 20.5%.