

**Schedule 2  
FORM ECSRC - Q**

**(Select One)**

Quarterly Report For the period ended September 30, 2011

Issuer Registration Number: 345640

Grenreal Property Corporation Limited  
(Exact name of reporting issuer as specified in its charter)

Grenada, W.I.  
(Territory or jurisdiction of incorporation)

Melville Street, P.O. Box 446, St. George's, Grenada, W.I.  
(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): + 1 473 435 8372

Fax number: + 1 473 435 8373

Email address: info@grenreal.com

(Former name, former address and former financial year, if changed since last report)  
Not applicable

(Provide information stipulated in paragraphs 1 to 8 hereunder)

**1. Financial Statements:**

S. attached P+L and Balance Sheet.

**2. Management's Discussion and Analysis of Financial Condition and Results of Operation**

**Results of Operations:**

In the first nine month of 2011 rental income decreased by 8.86% to ECS 3.91 million compared to ECS 4.29 million as per September 30, 2010. This is again a drop back, after a slight improvement in quarter two 2011. This is partly due to unexpected terminations and partly incidental due to a few discount arrangements with larger tenants. Total income incl. service recharge, parking and other income decreased to ECS 4.34 million (-8.79%; ECS 4.75 million).



Operational expenses (ECS 1.32 million) were 15.95% below the first nine month 2010 (ECS 1.58 million) and even 6.5 % below the budget for the period. The general expenses increased by 19.25% to ECS 0.307 million (ECS 0.257 million), which is also over the budget for the period.. The increase was primarily due to higher than expected cost of professional services.

Financing costs totaling to ECS 2.17 million were almost similar to the costs of the first nine month 2010 (ECS 2.16 million) and 3.37% over budget. This is caused due to higher other interest and charges due to the increasing bank overdraft.

Overall, a profit for the period of ECS 0.46 million was achieved, which was 36% below the result of the same period for 2010 and even 40% below budget. Management will continue to look for ways to further increase rental income and reduce costs.

#### **Balance Sheet and Cash Flows:**

The balance sheet has changed due to a lower fair market valuation of its properties. The Company's equity ratios reflect this change with equity financing of less than 50%. The Loan to Value ratio with 49.7% is now below 50% again and therefore in line with the financial covenants agreed with the bank (max. 50%).

The company still faces a tight cash situation reflected by the increase of the bank overdraft. The Company was successful in its negotiations with the bank with regard to substantially backstopping the presumed Bond Issue. Based on investigations the present climate does appear conducive to a favorable response for the bond issue. Therefore concrete steps have been taken to roll out the bond issue in the second half of the year under the management of Global Investments from St. Lucia. The Bond Issue is expected to structurally improve the cash position of the Company due to a substantial decrease of amortization payments if any.

In addition Management is in negotiations with the bank to temporarily waive the amortizations until the Bond Issue has been realized, in order to secure minimum liquidity.

#### **Off Balance Sheet Arrangements:**

The Company does not have any off-balance sheet arrangements.

**3. Disclosure of Risk Factor**

No additional risk factors to the ones already stated in the Prospectus dated June 30, 2008 (see attachment Risk Factors), occurred.

**4. Legal Proceedings**

The Company is not involved in any ongoing legal proceedings other than using its legal rights to enforce compliance with the terms and conditions of the lease against a few tenants.

**5. Changes in Securities and Use of Proceeds**

There have been no changes to number and type of securities since listing in July 2008.

**6. Defaults upon Senior Securities**

The Company never had any event of default before and since listing in July 2008.

**7. Submission of Matters to a Vote of Security Holders**

On June 1, 2011 the Annual General Meeting of the Shareholders took place. The Shareholders accepted the Annual Report and followed the proposal of the Board of Directors NOT to pay a dividend for the financial year 2010.

The shareholders in their Annual meeting have re-elected all Directors.

**8. Other Information**

Not applicable

**9. Attachments**

- Profit and Loss Statement and Balance Sheet as per September 30, 2011

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report.

<b>CLASS</b>	<b>NUMBER</b>
Ordinary Shares	7,662,598

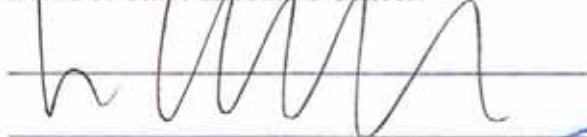
*Handwritten signature and initials*

## SIGNATURES

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Quarterly Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

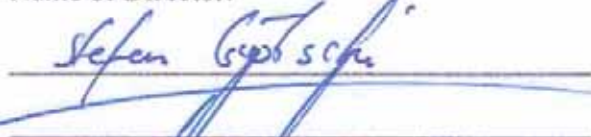


Signature

Henrick A. van Dijk

Date 15-12-2011

Name of Director:

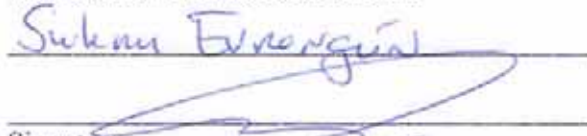


Signature

Stefan Grotsche

Date 15-12-2011

Name of Chief Financial Officer:



Signature

Date 18-12-2011



## INFORMATION TO BE INCLUDED IN THE REPORT

### 1. Financial Statements

Provide quarterly Financial Statements in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

- (a) (Condensed Balance Sheet as of the end of the most recent financial year and just concluded quarter.
- (b) Condensed Statement of Income for the interim three, six and nine months of the current financial year and corresponding period in the previous financial year.
- (c) Condensed Statement of Cash Flows for the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.
- (d) Examples of financial data items to be included in constructing financial statements for various types of businesses are provided in Parts A-D. These items are meant to serve as guidelines only.
- (e) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

### 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim quarterly report.

This section should be completed as per instructions for completing the MD&A.



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**3. Disclosure of Risk Factors.**

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements and only include factors that are unique to the company. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

**4. Legal Proceedings.**

A legal proceeding need only be reported in the ECSRC - Q filed for the quarter in which it first became a reportable event and in subsequent quarterly reports in which there have been material developments. Subsequent Form ECSRC - Q filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

**5. Changes in Securities and Use of Proceeds.**

- (a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.
- (b) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:
- Offer opening date (provide explanation if different from date disclosed in the registration statement)
  - Offer closing date (provide explanation if different from date disclosed in the registration statement)
  - Name and address of underwriter(s)
  - Amount of expenses incurred in connection with the offer
  - Net proceeds of the issue and a schedule of its use
  - Payments to associated persons and the purpose for such payments
- (b) Report any working capital restrictions and other limitations upon the payment of dividends.

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**6. Defaults Upon Senior Securities.**

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 percent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.
- (b) If any material arrears in the payment of dividends has occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

**7. Submission of Matters to a Vote of Security Holders.**

If any matter was submitted during the period covered by this report to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.
- (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.
- (c) A brief description of each other matter voted upon at the meeting and state the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.
- (d) A description of the terms of any settlement between the registrant and any other participant.
- (e) Relevant details of any matter where decision was taken otherwise than at a meeting of such security holders.

**8. Other Information.**

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC - MC report (related to disclosure of material information), with respect to which information is not otherwise called for by this form. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC - MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC - Q report.



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## Part A

### Relevant Financial Data Items for Commercial and Industrial Companies

#### Item Descriptions

- Cash and Cash Items
- Marketable securities
- Notes and Accounts Receivables-Trade
- Allowances for doubtful accounts
- Inventory
- Total Current Assets
- Intangible Assets
- Property Plant and Equipment
- Accumulated Depreciation
- Other Assets (explain)
- Total Assets
- Accounts Payable
- Total Current Liabilities
- Other Liabilities (explain)
- Bonds, mortgages and similar debt
- Preferred stock-mandatory redemption
- common stock
- other stockholder's equity
- Total liabilities and stockholder's equity
- net sales of tangible products
- total revenues
- cost of tangible goods sold
- total costs and expenses applicable to sales and revenues
- other costs and expenses
- provision for doubtful accounts and notes
- Interest and amortisation of debt discount
- Income before taxes and other items
- income tax expense
- income/loss continuing operations
- Discontinued operations
- extraordinary items
- Cumulative effect-changes in accounting principles
- net income or loss
- earnings per share -primary
- earnings per share - fully diluted



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## Part B

### Relevant Financial Data Items for Bank Holding Companies and Banks

#### Item Descriptions

- Cash and due from banks
- interest bearing deposits
- Borrowings from the ECCB, Inter-bank Market activity and other bank borrowings
- trading account assets
- investment and mortgage backed securities held for sale
- Investments: to provide schedule of type, rates, maturity and place – (whether domestic/regional or foreign)
- loans
- allowances for losses
- Fixed Assets
- total assets
- other liabilities
- Total deposits
- short-term borrowings
- long-term debt
- preferred stock-mandatory redemption
- preferred stock-no mandatory redemption
- common stocks
- other stockholder's equity
- total liabilities and stockholder's equity
- contingent accounts
- interest and fees on loans
- interest and dividends on investments
- other interest income
- total interest income
- interest expense on deposits
- total interest expense
- net interest income
- provision for loan losses
- investment securities gains/losses
- other expenses
- income/loss before income tax
- income/loss before extraordinary items
- extraordinary items
- cumulative changes in accounting principles
- net income or loss
- earnings per share-primary
- earnings per share- fully diluted

## Part C

### Relevant Financial Items for Broker-Dealers Holding Companies

#### Items Description

- Cash and cash items
- receivables from brokers and dealers, customers and others
- securities purchased under resale agreements
- financial instruments owned
- fixed assets
- total assets
- short term borrowings including commercial paper
- payable to customers, brokers/dealers (including clearing brokers) and others
- securities sold under agreements to repurchase
- long-term debt
- preferred stock-mandatory redemption
- preferred stock - no mandatory redemption
- common stock
- other stockholder's equity
- total liabilities and stockholder's equity
- revenue from trading activities
- interest and dividends
- commissions
- interest expense
- other sources of revenue
- compensation and employee related expense
- income/loss before income tax
- income/loss before extraordinary items
- extraordinary items, less tax
- cumulative change in accounting principles
- net income or loss
- earnings per share- primary
- earnings per share - fully diluted

## Part D

### Relevant Financial Data Items for Public Utility and Utility Holding Companies

#### Item Descriptions

- total net utility plant
- other property and investments
- total current assets
- total deferred charges
- balancing amount for total assets
- total assets
- common stock
- capital surplus, paid in,
- retained earnings
- total common stockholders equity
- preferred stock subject to mandatory redemption
- preferred stock not subject to mandatory redemption
- long term debt, net
- short term notes
- notes payable
- commercial paper
- long term debt-- current portion
- preferred stock-- current portion
- obligation under capital leases
- obligation under capital leases--current portion
- balancing amount for capitalisation and liabilities
- total capitalisation and liabilities
- gross operating revenue
- other operating expense
- total operating expense
- operating income (loss)
- other income (loss), net
- income before interest charges
- total interest charges
- net income
- preferred stock dividends
- earnings available for common stock
- common stock dividends
- total annual interest charges on all bonds
- cash flow from operations
- earnings per share -primary
- earnings per share -fully diluted