



Elite Diagnostic Limited

Unaudited Interim Financial Statements
Second Quarter ended
December 31, 2019

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The Board of Directors of Elite Diagnostic Limited is pleased to present the company's 2nd Quarter Unaudited Financial Statements ending December 31, 2019.

Revenues for the quarter were \$117.9 Million compared to \$96.8 Million on the previous year. Net profit amounted to \$4.4 Million compared to \$4.9 Million the previous year. Net profit was impacted by the St. Ann location expenses. Total Assets were \$697.2 Million compared to \$583.9 Million compared to the previous year. Total Liabilities were \$224.8 Million compared to \$177.7 Million the previous year.

Revenue growth was buoyant driven by strong performance of the Liguanea and New Kingston locations, however the new St. Ann location expenses continues to weigh on the bottom line. The company had challenges with the installation and operating of MRI and CT. Both modalities were not operational in the 2nd quarter. The company expects the location to begin generating profitable revenue in the beginning of March 2020. The St Ann leasing of the Doctors offices begins in February 2020 and thus far, the company has secured 4 doctors.

The company continues to see demand for imaging services and as they expand their services through the dedication of providing exceptional healthcare and customer service.

The company wishes to thank all our valued customers, the dedicated staff and the referring physicians for their continued support.

A handwritten signature in blue ink, appearing to read 'Nat Fung', written over a horizontal line.

Director

A handwritten signature in blue ink, appearing to read 'Wanda Chung', written over a horizontal line.

Director

February 12, 2020

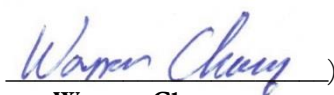
Unaudited statement of financial position

December 31, 2019

	Unaudited December 31, 2019 \$	Unaudited December 31, 2018 \$	Audited June 30, 2019 \$
Assets			
Non-current assets			
Property, plant and equipment	590,133,085	493,298,816	561,751,984
	590,133,085	493,298,816	561,751,984
Current assets			
Trade receivables	37,695,531	17,305,515	25,238,546
Prepayments and other receivables	5,402,646	2,868,754	652,798
Cash and bank balances	63,922,735	70,464,473	76,422,723
	107,020,912	90,638,742	102,314,067
Total assets	697,153,997	583,937,558	664,066,051
Equity			
Share capital	348,898,459	348,898,459	348,898,459
Accumulated surplus	123,434,756	57,379,534	102,309,387
Total equity	472,333,215	406,277,993	451,207,846
Liabilities			
Non-current liabilities			
Long-term loans	195,799,929	164,739,757	195,666,638
	195,799,929	164,739,757	195,666,638
Current liabilities			
Payables and accruals	28,220,849	1,309,749	15,591,567
Current portion of long-term loan	800,004	11,610,059	1,600,000
	29,020,853	12,919,808	17,191,567
Total liabilities	224,820,782	177,659,565	212,858,205
Total equity and liabilities	697,153,997	583,937,558	664,066,051

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

Approved for issue by the Directors on February 12, 2020 and signed on its behalf by:


Warren Chung


Neil Fong

Unaudited statement of profit or loss and other comprehensive income Second quarter and six months period ended December 31, 2019

	Three months ended December 31, 2019 \$	Restated Three months ended December 31, 2018 \$	Six months ended December 31, 2019 \$	Restated Six months ended December 31, 2018 \$
Income	117,917,394	96,761,440	235,917,100	182,243,884
Direct costs	(48,172,538)	(32,019,517)	(87,997,303)	(60,758,625)
Gross profit	69,744,856	64,741,923	147,919,797	121,485,259
Administrative expenses	(38,901,613)	(40,005,975)	(79,029,259)	(76,665,177)
Depreciation	(18,420,667)	(12,726,061)	(35,850,986)	(26,702,513)
Operating profit	12,422,576	12,009,887	33,039,552	18,117,569
Finance costs	(5,748,269)	(5,246,403)	(10,696,848)	(9,525,818)
Foreign exchange loss	(2,242,031)	(1,815,436)	(1,217,335)	(1,805,564)
Profit before tax	4,432,276	4,948,048	21,125,369	6,786,187
Income tax expense	-	-	-	-
Net profit and comprehensive income for the period	4,432,276	4,948,048	21,125,369	6,786,187
Basic and diluted earnings per share	0.01	0.01	0.06	0.02

The comparative information for direct costs and administrative expenses were restated as a result of a reclassification to conform with current periods presentation. (See note 4).

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

Unaudited statement of changes in equity Six months period ended December 31, 2019

	Share capital \$	Accumulated surplus \$	Total \$
Balance at June 30, 2018 - Audited	348,898,459	50,593,347	399,491,806
Profit for the six months ended December 31, 2018 being total comprehensive income for the year	-	6,786,187	6,786,187
Balance at December 31, 2018 - unaudited	348,898,459	57,379,534	406,277,993
Balance at June 30, 2019 - Audited	348,898,459	102,309,387	451,207,846
Profit for the six months ended December 31, 2019 being total comprehensive income for the year	-	21,125,369	21,125,369
Balance at December 31, 2019 - unaudited	348,898,459	123,434,756	472,333,215

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

Unaudited statement of cash flows

Six months period ended December 31, 2019

	Unaudited December 31, 2019	Unaudited December 31, 2018	Audited June 30, 2019
	\$	\$	\$
Cash flows from operating activities:			
Profit before tax	21,125,369	6,786,187	51,822,601
Interest expense	10,696,848	9,525,818	20,077,997
Adjustments for:			
Adjustments for IFRS 9	-	-	(106,561)
Depreciation	35,850,986	26,702,513	55,825,533
	67,673,203	43,014,518	127,619,570
Increase in trade receivables	(12,456,985)	(8,356,361)	(14,581,831)
(Increase)/decrease in prepayments and other receivables	(4,749,848)	3,408,216	3,916,611
Increase/(decrease) in payables and accruals	12,629,282	(3,327,579)	10,954,239
Cash provided by operations	63,095,652	34,738,794	127,908,589
Interest paid	(10,696,848)	(9,525,818)	(20,077,997)
Income tax paid	-	-	-
Net cash provided by operations	52,398,804	25,212,976	107,830,592
Cash flow from investing activities			
Purchase of property, plant and equipment	(64,232,087)	(65,455,676)	(163,031,864)
Net cash used in investing activities	(64,232,087)	(65,455,676)	(163,031,864)
Cash flow from financing activities			
Proceeds from loans	-	-	195,000,000
Repayment of loans	(666,705)	(11,312,510)	(185,395,688)
Net cash (used in)/provided by financing activities	(666,705)	(11,312,510)	9,604,312
Net decrease in cash and cash equivalents	(12,499,988)	(51,555,210)	(45,596,960)
Cash and cash equivalents at beginning of period/year	76,422,723	122,019,683	122,019,683
Cash and cash equivalents at end of period/year (Note 7)	63,922,735	70,464,473	76,422,723

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

Notes to the unaudited interim financial statements

Second Quarter ended December 31, 2019

1. General information and nature of operations

Elite Diagnostic Limited was incorporated under the laws of Jamaica on February 12, 2012 and is domiciled in Jamaica. The company commenced operations in August 2013. The company's principal place of business is located at 1b Holborn Road, Kingston 5.

The company provides diagnostic imaging services.

2. Statement of compliance

a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34, Interim Financial Reporting.

The interim financial report is to be read in conjunction with the audited financial statements for the year ended June 30, 2019. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended June 30, 2019.

b Critical judgements and sources of estimation uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

Elite Diagnostic Limited

Notes to the unaudited interim financial statements
Second Quarter ended December 31, 2019

3. Share capital

	Unaudited Six months ended December 31, 2019 \$	Unaudited Six months ended December 31, 2018 \$
Authorised ordinary stock units of no par value	Unlimited	Unlimited
Issued ordinary stock units of no par value	353,400,000	353,400,000
Stated capital: Issued and fully paid ordinary stock units of no par value	348,898,459	348,898,459

Earnings per share

	Unaudited Six months ended December 31, 2019 \$	Unaudited Six months ended December 31, 2018 \$
Profit attributable to shareholders	21,125,369	6,786,187
Weighted average number of shares	353,400,000	353,400,000
Earnings per share	0.06	0.02

	Unaudited Three months ended December 31, 2019 \$	Unaudited Three months ended December 31, 2018 \$
Profit attributable to shareholders	4,432,276	4,948,048
Weighted average number of shares	353,400,000	353,400,000
Earnings per share	0.01	0.01

Elite Diagnostic Limited

Notes to the unaudited interim financial statements
Second Quarter ended December 31, 2019

4. Reclassification of comparative information

The comparative information for direct costs and administrative expenses were reclassified to conform with current periods presentation as follows:

	Three months ended as previously reported \$	Reclassification \$	Three months ended as Restated \$	Six months ended as previously reported \$	Reclassification \$	Six months ended as Restated \$
Income	96,761,440	-	96,761,440	182,243,884	-	182,243,884
Direct costs	(30,980,267)	(1,039,250)	(32,019,517)	(58,545,125)	(2,213,500)	(60,758,625)
Gross profit	65,781,173	(1,039,250)	64,741,923	123,698,759	(2,213,500)	121,485,259
Administrative expenses	(41,045,225)	1,039,250	(40,005,975)	(78,878,677)	2,213,500	(76,665,177)
Depreciation	(12,726,061)	-	(12,726,061)	(26,702,513)	-	(26,702,513)
Operating profit	12,009,887	-	12,009,887	18,117,569	-	18,117,569
Finance costs	(5,246,403)	-	(5,246,403)	(9,525,818)	-	(9,525,818)
Foreign exchange loss	(1,815,436)	-	(1,815,436)	(1,805,564)	-	(1,805,564)
Profit before tax	4,948,048	-	4,948,048	6,786,187	-	6,786,187
Income tax expense	-	-	-	-	-	-
Net profit and comprehensive income for the period	4,948,048	-	6,786,187	6,786,187	-	6,786,187
Basic and diluted earnings per share	0.01	-	0.01	0.02	-	0.02

Elite Diagnostic Limited

Notes to the unaudited interim financial statements
Second Quarter ended December 31, 2019

List of Directors and Top 10 Shareholders As at December 31, 2019

Directors and connected parties

Directors

Names	Position	Shares Held	Percentages %
Steven Gooden	Chairman	242,230	0.0685
Warren Chung	Executive Director	757,626	0.2144
Neil Fong	Executive Director	140,000	0.0396
Andre Ho Lung	Non-Executive Director	161,494	0.0457
Kevin Donaldson	Non-Executive Director	140,000	0.0396
Paula Kerr-Jarrett	Non-Executive Director	NIL	NIL
Quentin Hugh Sam	Non-Executive Director	824,573	0.2333
Peter D. Chin	Non-Executive Director	140,000	0.0396
William Mahfood	Non-Executive Director	172,025	0.0487
		2,577,948	0.7294

Connected parties

Connected to

Excel Investments	Warren Chung and Neil Fong	145,140,264	41.0697
Combined Key Member Holdings		147,718,212	41.7991

Senior Managers

Names	Position	Shares Held	Percentages %
Warren Chung	Chief Executive Officer	757,626	0.2144
Neil Fong	Senior Manager	140,000	0.0396
Marjorie Miller	Manager	-	-
		897,626	0.2540

Top 10 Shareholders

Names	Shares Held	Percentages %
1. Excel Investments (See connected party note below)	145,140,264	41.0697
2. NCB Capital Markets Limited	66,028,392	18.6838
3. JCSD Trustee Services Limited - Sigma Optima	31,438,024	8.8959
4. West Indies Radiology Outsourcing Ltd.	17,670,000	5.0000
5. Barnett Limited	15,515,994	4.3905
6. Kevin Keaton Palmer	3,908,151	1.1059
7. Lizette Mowatt	3,703,632	1.0480
8. VM Wealth Equity Fund	3,390,939	0.9595
9. SJIML A/C 3119	3,188,169	0.9021
10. QWI Investments Limited	2,949,877	0.8347
Total units owned by top 10 Shareholders	292,933,442	82.8901
Total Issued Capital	353,400,000	

Excel Investments is a connected party to Warren Chung and Neil Fong, Executive Directors.