



Elite Diagnostic Limited

Unaudited Interim Financial Statements
Fourth Quarter and Year ended June 30, 2020

Elite Diagnostic Limited
Unaudited Interim Financial Statements
Fourth Quarter and Year ended June 30, 2020

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The Board of Directors of Elite Diagnostic Limited presents the company's Unaudited Financial Statements for the 4th quarter and year ending June 30th 2020.

Revenue for the year was \$439.3 Million compared to \$405.1 Million the previous year. Despite the increase in revenue, the company experienced challenges with the St Ann location, equipment breakdown and the effects of Covid-19. With the delay of a fully operational St Ann location and its associated expenses, net profit was significantly impacted.

Revenues for the 4th quarter were \$92 Million compared to \$115.1 Million the previous year. The company experienced a loss of \$12.5 Million compared to a profit of \$24.6 Million in the previous year. Revenues for the 4th quarter were impacted by Covid-19 as we noted a decrease in demand for imaging services as well as a reduction in our operating hours.

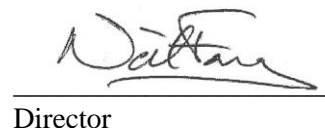
Total Assets were \$674.2 Million compared to \$664.1 Million the previous year. Total Liabilities were \$216.4 Million compared to \$212.9 Million the previous year.

The company experienced some equipment breakdowns during the 4th quarter which also added to the decline in revenue. The effects of Covid-19 were keenly felt in the first two months of 4th quarter however, the latter part of the quarter saw business returning to near normal activity at the two Kingston locations. The St. Ann location became fully operational in July 2020 after significant delays in having our key modalities available.

With the MRI and CT machines now both operational at the St. Ann location, the company's operating capacity is now at desired levels. We remain cautiously optimistic for the near future.

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


Director


Director

Elite Diagnostic Limited


Unaudited statement of financial position

June 30, 2020

| | Unaudited June 30, 2020 \$ | Audited June 30, 2019 \$ |
|-------------------------------------|-------------------------------------|-----------------------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 576,285,139 | 561,751,984 |
| | 576,285,139 | 561,751,984 |
| Current assets | | |
| Receivables | 38,713,349 | 25,238,546 |
| Prepayments | 5,300,809 | 652,798 |
| Cash and bank balances | 53,851,854 | 76,422,723 |
| | 97,866,012 | 102,314,067 |
| Total assets | 674,151,151 | 664,066,051 |
| Equity | | |
| Share capital | 348,898,459 | 348,898,459 |
| Accumulated surplus | 108,901,003 | 102,309,387 |
| Total equity | 457,799,462 | 451,207,846 |
| Liabilities | | |
| Non-current liabilities | | |
| Long-term loans | 195,266,560 | 195,666,638 |
| | 195,266,560 | 195,666,638 |
| Current liabilities | | |
| Payables and accruals | 20,685,129 | 15,591,567 |
| Current portion of loan | 400,000 | 1,600,000 |
| | 21,085,129 | 17,191,567 |
| Total liabilities | 216,351,689 | 212,858,205 |
| Total equity and liabilities | 674,151,151 | 664,066,051 |

Approved for issue by the Directors on August 14, 2020 and signed on its behalf by:


Warren Chung


Neil Fong

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

Elite Diagnostic Limited**Unaudited statement of profit or loss and other comprehensive income**Fourth Quarter and Year ended June 30, 2020

| | Three months ended June 30, 2020 \$ | Three months ended June 30, 2019 \$ | Unaudited year ended June 30, 2020 \$ | Audited year ended June 30, 2019 \$ |
|---|--|---|--|---|
| Income | 91,967,629 | 115,144,265 | 439,255,494 | 405,089,250 |
| Direct costs | (34,227,569) | (29,611,386) | (160,907,687) | (126,256,676) |
| Gross profit | 57,740,060 | 85,532,879 | 278,347,807 | 278,832,574 |
| Administrative expenses | (44,987,852) | (32,623,097) | (174,012,564) | (147,982,961) |
| Depreciation | (19,505,408) | (14,026,904) | (74,705,124) | (55,825,533) |
| Operating (loss)/profit | (6,753,200) | 38,882,878 | 29,630,119 | 75,024,080 |
| Finance costs | (6,950,672) | (6,228,208) | (22,573,204) | (20,077,997) |
| Exchange (loss)/gain | 1,223,464 | (8,018,599) | (465,299) | (3,123,482) |
| (Loss)/profit before tax | (12,480,408) | 24,636,071 | 6,591,616 | 51,822,601 |
| Income tax (expense)/credit | - | - | - | - |
| Net (loss)/profit and comprehensive (loss)/income for the period | (12,480,408) | 24,636,071 | 6,591,616 | 51,822,601 |
| Basic and diluted(loss)/earnings per share | (0.04) | 0.07 | 0.02 | 0.15 |

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

Elite Diagnostic Limited
Unaudited statement of changes in equity
Year ended June 30, 2020

| | Share capital \$ | Accumulated surplus \$ | Total \$ |
|--|------------------------|------------------------------|--------------------|
| Balance at July 1, 2018 - Audited | 348,898,459 | 50,486,786 | 399,385,245 |
| Profit for the year ended June 30, 2019 being total comprehensive income for the year - Audited | - | 51,822,601 | 51,822,601 |
| Balance at June 30, 2019 - Audited | 348,898,459 | 102,309,387 | 451,207,846 |
| Profit for the year ended June 30, 2020 being total comprehensive income for the year - unaudited | - | 6,591,616 | 6,591,616 |
| Balance at June 30, 2020 - Unaudited | 348,898,459 | 108,901,003 | 457,799,462 |

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

Elite Diagnostic Limited

Unaudited statement of cash flows

Year ended June 30, 2020

| | Unaudited Year ended June 30, 2020 \$ | Audited Year ended June 30, 2019 \$ |
|--|---|---|
| Cash flows from operating activities: | | |
| Profit before tax | 6,591,616 | 51,822,601 |
| Adjustments for: | | |
| Finance cost | 22,573,204 | 55,825,533 |
| Depreciation | 74,705,124 | 20,077,997 |
| Adoption of IFRS 9 | - | (106,561) |
| | 103,869,944 | 127,619,570 |
| Increase in receivables | (13,474,803) | (14,581,831) |
| Increase in prepayments | (4,648,011) | 3,916,611 |
| Increase in payables and accruals | 5,093,562 | 10,954,239 |
| Cash provided by operations | 90,840,692 | 127,908,589 |
| Interest paid | (22,573,204) | (20,077,997) |
| Net cash provided by operations | 68,267,488 | 107,830,592 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (89,238,279) | (163,031,864) |
| Net cash used in investing activities | (89,238,279) | (163,031,864) |
| Cash flows from financing activities | | |
| Proceeds from loans | - | 195,000,000 |
| Repayment of loans | (1,600,078) | (185,395,688) |
| Net cash provided by financing activities | (1,600,078) | 9,604,312 |
| Net decrease in cash and cash equivalents | (22,570,869) | (45,596,960) |
| Cash and cash equivalents at beginning of year | 76,422,723 | 122,019,683 |
| Cash and cash equivalents at end of year (Note 7) | 53,851,854 | 76,422,723 |

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

Elite Diagnostic Limited

Notes to the unaudited interim financial statements

June 30, 2020

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

Year ended June 30, 2020

3. Share capital

| | Unaudited June 30, 2020 \$ | Audited June 30, 2019 \$ |
|--|-------------------------------------|-----------------------------------|
| Authorised ordinary units of no par value | Unlimited | Unlimited |
| Issued ordinary units of no par value | 353,400,000 | 353,400,000 |
| Stated capital: Issued and fully paid ordinary stocks of no par value | 348,898,459 | 348,898,459 |

Earnings per share

| | Year ended June 30, 2020 \$ | Year ended June 30, 2019 \$ |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Profit attributable to shareholders | 6,591,616 | 47,443,951 |
| Weighted average number of shares | 353,400,000 | 353,400,000 |
| Earnings per shares | 0.02 | 0.13 |

Earnings per share

| | Three months ended June 30, 2020 \$ | Three months ended June 30, 2019 \$ |
|--|---|---|
| (Loss)/profit attributable to shareholders | (12,480,408) | 24,636,071 |
| Weighted average number of shares | 353,400,000 | 353,400,000 |
| Earnings per shares | (0.04) | 0.07 |

4. COVID 19 effect

The spread of the Coronavirus disease (COVID-19) which was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020, has negatively impacted the operations of the company. Revenues in the 4th Quarter were impacted as the company experienced a decrease in demand for imaging services and also had to reduce its operating hours. However, the latter part of the Quarter saw business returning to near normal activity at the two Kingston locations.

Elite Diagnostic Limited

Notes to the unaudited interim financial statements

Year ended June 30, 2020

Directors and Connected Parties Shareholdings

As at June 30, 2020

Directors

| Names | Position | Shares Held | Percentages % |
|------------------|------------------------|------------------|---------------|
| Steven Gooden | Chairman | 242,230 | 0.0685 |
| Warren Chung | Executive Director | 778,355 | 0.2203 |
| 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 Wegman | 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 |
| | | 2,598,677 | 0.7333 |

Connected parties

Connected to

| | | | |
|--|----------------------------|--------------------|----------------|
| Excel Investments | Warren Chung and Neil Fong | 130,726,675 | 36.9911 |
| Barnett Limited | Paula Wegman | 15,515,994 | 4.3905 |
| Combined Key Member Shareholdings | | 148,841,346 | 42.1169 |

Senior Managers shareholdings

| Names | Position | Shares Held | Percentages % |
|-----------------|-------------------------|----------------|---------------|
| Warren Chung | Chief Executive Officer | 778,355 | 0.2174 |
| Neil Fong | Manager | 140,000 | 0.0396 |
| Marjorie Miller | Manager | - | - |
| | | 918,355 | 0.2570 |

Top 10 Shareholdings

| Names | Share Held | Percentages % |
|---|--------------------|----------------|
| 1. Excel Investments (See connected party note above) | 130,726,675 | 36.9911 |
| 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 (See connected party note above) | 15,515,994 | 4.3905 |
| 6. Damian Chin-You | 14,413,589 | 4.0785 |
| 7. Lizette Mowatt | 3,703,632 | 1.0480 |
| 8. Kevin Keaton Palmer | 3,534,000 | 1.0000 |
| 9. SJIML A/C 3119 | 3,188,169 | 0.9021 |
| 10. VM Wealth Equity Fund | 3,061,708 | 0.8664 |
| Total units owned by top 10 Shareholders | 289,280,183 | 81.8563 |
| Total Issued Capital | 353,400,000 | |