



Elite Diagnostic Limited

Unaudited Interim Financial Statements

First Quarter ended September 30, 2020

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Directors' Report

The Board of Directors of Elite Diagnostic Limited presents the company's Unaudited Financial Statements for the 1st quarter ended September 30, 2020.

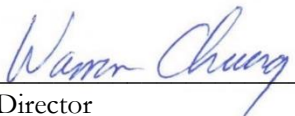
Revenue for the 1st quarter was \$109.7 Million compared to \$118 Million the previous year. The company experienced a loss of \$10.3 Million compared to a profit of \$16.7 Million the previous year. Net profit was impacted by increased administrative expenses, depreciation and foreign exchange losses. Total Assets were \$678.7 Million compared to \$680.5 Million the previous year. Total Liabilities were \$229.3 Million compared to \$212.6 Million the previous year.

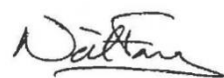
The company's 1st quarter revenue was affected by Covid-19 with reduction of operating hours and reduced procedures. Currently the company's operational hours are back to normal. An unusually lengthy breakdown of the CT also impacted our revenues during the 1st quarter. Along with our regular Preventative Maintenance of the machines, the company has invested in equipment and parts to reduce some of the downtime of the machine breakdowns.

The St Ann location revenue is increasing month over month since all modalities became operational in the 1st quarter 2020. The company is cautiously optimistic as the effects of Covid-19 more negatively impacts the rural areas of the country.

The company continues to see steady demand for imaging services at all locations. The negative effects of Covid-19 and equipment downtime remains a challenge, however the company is hopeful to see enhanced performance due to growth of the St Ann location and longer operating hours.

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

September 30, 2020

	Unaudited September 2020 \$	Unaudited September 2019 \$	Audited June 2020 \$
Assets			
Non-current assets			
Property, plant and equipment	589,749,692	572,764,964	603,231,302
	589,749,692	572,764,964	603,231,302
Current assets			
Receivables	43,740,263	28,396,197	41,512,118
Prepayments	6,516,857	4,339,408	6,600,329
Cash and cash equivalents	38,714,349	75,042,474	39,217,930
	88,971,469	107,778,079	87,330,377
Total assets	678,721,161	680,543,043	690,561,679
Equity			
Share capital	348,898,459	348,898,459	348,898,459
Retained earnings	100,524,234	119,002,480	110,862,254
Total equity	449,422,693	467,900,939	459,760,713
Liabilities			
Non-current liabilities			
Lease liabilities	13,933,340	-	13,933,340
Long-term loans	195,000,000	195,533,261	193,933,266
	208,933,340	195,533,261	207,866,606
Current liabilities			
Payables and accruals	10,099,764	15,908,837	7,842,280
Current portion of lease liabilities	10,132,139	-	13,492,080
Current portion of long-term loans	133,225	1,200,006	1,600,000
	20,365,128	17,108,843	22,934,360
Total liabilities	229,298,468	212,642,104	230,800,966
Total equity and liabilities	678,721,161	680,543,043	690,561,679

Approved for issue by the Directors on November 11, 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

First Quarter ended September 30, 2020

	Unaudited Three months ended September 30, 2020 \$	Unaudited Three months ended September 30, 2019 \$	Audited year ended June 30, 2020 \$
Income	109,716,711	117,999,130	439,800,664
Direct costs	(42,342,902)	(39,824,765)	(161,503,788)
Gross profit	67,373,809	78,174,365	278,296,876
Administrative expenses	(45,555,190)	(40,127,646)	(160,369,677)
Depreciation	(25,122,078)	(17,430,319)	(88,178,562)
Operating (loss)/profit	(3,303,459)	20,616,400	29,748,637
Other income	20,161	576	43,929
Finance costs	(4,969,144)	(4,948,579)	(20,774,400)
(Loss)/gain on foreign exchange	(2,085,578)	1,024,696	(465,299)
Net (loss)/profit and comprehensive income for the period/year	(10,338,020)	16,693,093	8,552,867
Basic and diluted earnings per share	(0.03)	0.04	0.02

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

Elite Diagnostic Limited

Unaudited statement of changes in equity

First Quarter ended September 30, 2020

	Share Capital \$	Accumulated surplus \$	Total \$
Balance at June 30, 2019 - Audited	348,898,459	102,309,387	451,207,846
Profit for the three months ended September 30, 2019	-	16,693,093	16,693,093
Balance at September 30, 2019	348,898,459	119,002,480	467,900,939
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	-	8,552,867	8,552,867
Balance at June 30, 2020 – Audited	348,898,459	110,862,254	459,760,713
Loss for the period ended September 30, 2020 being total comprehensive deficit for the period - unaudited	-	(10,338,020)	(10,338,020)
Balance at September 30, 2020 - Unaudited	348,898,459	100,524,234	449,422,693

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

Elite Diagnostic Limited

Unaudited statement of cash flows

First Quarter ended September 30, 2020

	Unaudited Three months ended September 30, 2020 \$	Unaudited Three months ended September 30, 2019 \$	Audited Year ended June 30, 2020 \$
Cash flows from operating activities:			
(Loss)/profit before tax	(10,338,020)	16,693,093	8,552,867
Adjustments for:			
Depreciation and amortisation	25,122,078	17,430,319	88,178,562
Interest expense	4,969,144	4,948,579	20,774,400
	19,753,202	39,071,991	117,505,829
Increase in receivables	(2,228,145)	(3,157,651)	(16,273,572)
Decrease/(increase) in prepayments	83,472	(3,686,610)	(5,947,531)
Increase/(decrease) in payables and accruals	2,257,484	317,270	(7,749,287)
Cash provided by operations	19,866,013	32,545,000	87,535,439
Interest paid	(4,969,144)	(4,948,579)	(20,774,400)
Net cash provided by operations	14,896,869	27,596,421	66,761,039
Cash flow from investing activities			
Purchase of property, plant and equipment	(11,640,468)	(28,443,299)	(89,282,557)
Net cash used in investing activities	(11,640,468)	(28,443,299)	(89,282,557)
Cash flow from financing activities			
Repayment of loans	(400,041)	(533,371)	(1,733,372)
Repayment of lease liabilities	(3,359,941)	-	(12,949,903)
Net cash used in financing activities	(3,759,982)	(533,371)	(14,683,275)
Net decrease in cash and cash equivalents	(503,581)	(1,380,249)	(37,204,793)
Cash and cash equivalents at beginning of year	39,217,930	76,422,723	76,422,723
Cash and cash equivalents at end of year	38,714,349	75,042,474	39,217,930

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

Elite Diagnostic Limited

Notes to the unaudited interim financial statements

September 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, 2020. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended June 30, 2020.

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.

3. Share capital

	Unaudited Three months ended September 30, 2020 \$	Audited June 30, 2020 \$
Authorised ordinary units of no par value	<u>Unlimited</u>	<u>Unlimited</u>
Issued ordinary units of no par value	<u>353,400,000</u>	<u>353,400,000</u>
Stated capital:		
Issued and fully paid ordinary stocks of no par value	<u>348,898,459</u>	<u>348,898,459</u>

Earnings per shares

	Unaudited Three months ended September 30, 2020 \$	Unaudited Three months ended September 30, 2019 \$
Profit attributable to shareholders	<u>(10,338,020)</u>	<u>16,693,093</u>
Weighted average number of shares	<u>353,400,000</u>	<u>353,400,000</u>
Earnings per shares	<u>(0.03)</u>	<u>0.04</u>

Elite Diagnostic Limited
Notes to the unaudited interim financial statements
First Quarter ended September 30, 2020

4. COVID 19 effect

The continued spread of the Coronavirus disease (COVID-19) which was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020, continues to negatively impact the operations of the company. Measures taken by the Government of Jamaica to contain the virus, including nightly curfews, continues to affect the company negatively. These measures continue to affect opening hours and social distancing requirements continues to impact the number of patients booked per day.

Elite Diagnostic Limited

List of Directors, Connected Parties and Senior Managers Shareholdings

As at September 30, 2020

Directors and connected parties

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
Combined Directors Holdings		2,598,677	0.7353

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 Connected Parties Holdings		146,242,669	41.3816

Combined Holdings

148,841,346 **42.1169**

Senior Managers Shareholdings

Names	Position	Shares Held	Percentages %
Warren Chung	Chief Executive Officer	778,355	0.2203
Neil Fong	Manager	140,000	0.0396
Marjorie Miller	Manager	-	-
Combined Senior Managers Holdings		918,355	0.2599

Connected parties

Connected to

Excel Investments	Warren Chung and Neil Fong	130,726,675	36.9911
Combined Connected Party Holdings		130,726,675	36.9911

Combined Holdings

131,645,030 **37.2510**

Total issued capital

353,400,000

Elite Diagnostic Limited

List of Top 10 Shareholders

As at September 30, 2020

Top 10 Shareholders

Names	Share Held	Percentages %
1. Excel Investments (Connected to Warren Chung and Neil Fong)	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 (Connected to Paula Wegman)	15,515,994	4.3905
6. Damian Chin-You	14,513,589	4.1068
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	289,380,183	81.8563
Total Issued Capital	353,400,000	