



Elite Diagnostic Limited

Unaudited Interim Financial Statements

Second Quarter and Six Months ended  
December 31, 2022

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# Elite Diagnostic Limited

Second quarter and six months ended December 31, 2022

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## Directors' Report

The Board of Directors presents the unaudited financial statements for the second quarter ended December 31, 2022.

Revenue for the quarter increased by \$30.0M from \$147.5M the prior year to \$177.5M. Despite this increase, the company incurred a net loss for the quarter of \$7.3M compared to a profit of \$7.2M over the corresponding period in the prior year, which was a decline of 201%.

We continue to be negatively affected by the extended downtime of major revenue-earning machines during the quarter under review. This translated to a loss of revenue in excess of \$40.0M during the quarter. A significant increase in the depreciation expense now being booked for the new MRI purchased last year, also contributed to the loss for the quarter.

With the recent overhaul of two of our more problematic machines which are no longer under warranty, and additional planned preventative maintenance exercises, we do not expect extraordinary downtime going forward.

A new CT machine is being installed at our Liguanea location and will be commissioned into service by March 1, 2023 and this will provide a redundancy for future downtime of the other unit located at our New Kingston location.

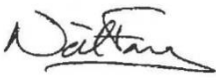
Total Assets were \$1,047.1M compared to \$778.0M for the corresponding period in the prior year, and Total Liabilities were \$577.1M compared to \$336.0M for the comparative period. The acquisition of the Siemens MRI which was fully reflected on our books after it was commissioned in July 2022, and down-payments made on the new CT machine in December 2022 resulted in the significant variance reflected in the total assets figures reported between the comparative periods.

A new arrangement is being negotiated which will enable a significant reduction in our direct costs during the ensuing quarters at our two Kingston locations, in keeping with similar measures introduced last year at our Drax Hall location.

Despite increased competition from other industry players, the demand for our services continues to be very high, and increased marketing has gradually improved our brand within the market place allowing us to remain confident in our growth projections.

We thank our loyal customers, the referring physicians and specialists with whom we partner, all our shareholders, and the dedicated Elite team for their continued hard work and support.

  
Warren Chung

  
Neil Fong

February 10, 2023

# Elite Diagnostic Limited

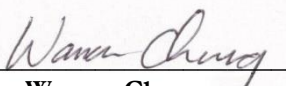
## Unaudited statement of financial position


December 31, 2022

	Unaudited December 31, 2022 \$	Reclassified Unaudited December 31, 2021 \$	Reclassified Audited June 30, 2022 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	752,601,338	553,304,984	752,379,008
Right-of-use assets	121,723,231	6,691,739	24,461,257
	<b>874,324,569</b>	<b>559,996,723</b>	<b>776,840,865</b>
<b>Current assets</b>			
Deposit on equipment	34,425,000	94,548,210	-
Trade receivables	103,798,526	44,851,354	59,261,920
Prepayments and other receivables	3,629,153	7,639,765	7,567,596
Cash and bank balances	30,930,259	70,992,814	75,890,161
	<b>172,782,938</b>	<b>218,032,143</b>	<b>142,719,677</b>
<b>Total assets</b>	<b>1,047,107,505</b>	<b>778,028,866</b>	<b>919,560,542</b>
<b>Equity</b>			
Share capital	348,898,459	348,898,459	348,898,459
Accumulated surplus	121,039,787	93,110,151	129,645,128
<b>Total equity</b>	<b>469,938,246</b>	<b>442,008,610</b>	<b>478,543,587</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liability	109,353,102	1,398,488	13,192,272
Long-term loans	286,130,010	233,593,875	323,522,773
	<b>395,488,112</b>	<b>234,992,363</b>	<b>336,175,045</b>
<b>Current liabilities</b>			
Payables and accruals	66,319,132	41,234,695	39,355,367
Short term loan	25,000,000	-	5,855,615
Current portion of lease liability	13,029,327	5,605,132	8,694,162
Current portion of long-term loans	77,337,689	54,188,066	50,426,766
	<b>181,686,147</b>	<b>101,027,893</b>	<b>104,301,910</b>
<b>Total liabilities</b>	<b>577,174,259</b>	<b>336,020,256</b>	<b>441,016,955</b>
<b>Total equity and liabilities</b>	<b>1,047,107,505</b>	<b>778,028,866</b>	<b>919,560,542</b>

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

Approved for issue by the Directors on February 10, 2023 and signed on its behalf by:

 ) Director  
Warren Chung

 ) Director  
Neil Fong

**Elite Diagnostic Limited**  
**Unaudited statement of profit or loss and**  
**Other comprehensive income**

Second Quarter and Six Months ended December 31, 2022

	Three months ended December 31, 2022 \$	Three months ended December 31, 2021 \$	Six months ended December 31, 2022 \$	Six months ended December 31, 2021 \$
<b>Income</b>	<b>177,548,750</b>	<b>147,544,959</b>	<b>363,510,381</b>	<b>288,373,396</b>
Direct costs	(57,284,661)	(47,125,716)	(108,492,846)	(97,190,848)
<b>Gross profit</b>	<b>120,264,089</b>	<b>100,419,243</b>	<b>255,017,535</b>	<b>191,182,548</b>
Administrative expenses	(79,782,438)	(57,887,192)	(159,544,541)	(114,878,877)
Depreciation	(37,617,141)	(27,452,729)	(76,576,524)	(54,725,279)
<b>Operating profit</b>	<b>2,864,510</b>	<b>15,079,322</b>	<b>18,896,470</b>	<b>21,578,392</b>
Other income	18,082	25,787	41,378	163,555
Finance costs	(8,288,410)	(6,354,847)	(16,302,712)	(11,325,782)
Foreign exchange loss	(1,946,372)	(1,488,842)	(4,172,477)	(3,669,423)
<b>Net (loss)/profit and comprehensive income/(loss) for the period</b>	<b>(7,352,190)</b>	<b>7,261,420</b>	<b>(1,537,341)</b>	<b>6,746,742</b>
<b>Basic and diluted earnings per share</b>	<b>(0.02)</b>	<b>0.02</b>	<b>(0.004)</b>	<b>0.019</b>

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

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**Elite Diagnostic Limited**  
**Unaudited statement of changes in equity**  
Second quarter and Six Months ended December 31, 2022

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	Share capital \$	Accumulated surplus \$	Total \$
<b>Balance at June 30, 2021 - Audited</b>	348,898,459	112,791,425	461,689,884
<b>Transactions with owners</b>			
Dividends paid	-	(26,428,016)	(26,428,016)
Profit for the six months ended December 31, 2021 being total comprehensive loss for the period	-	6,746,742	6,746,742
<b>Balance at December 31, 2021 - unaudited</b>	<u>348,898,459</u>	<u>93,110,151</u>	<u>442,008,610</u>
<b>Balance at June 30, 2022 - Audited</b>	348,898,459	129,645,128	478,543,587
<b>Transactions with owners</b>			
Dividends paid	-	(7,068,000)	(7,068,000)
Loss for the six months period ended December 31, 2022 being total comprehensive loss for the period	-	(1,537,341)	(1,537,341)
<b>Balance at December 31, 2022 - unaudited</b>	<u>348,898,459</u>	<u>121,039,787</u>	<u>469,938,246</u>

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

# Elite Diagnostic Limited

## Unaudited statement of cash flows

Second quarter and Six Months ended December 31, 2022

	Unaudited Six months ended December 31, 2022 \$	Unaudited Six months ended December 31, 2021 \$	Audited Year ended June 30, 2022 \$
<b>Cash flows from operating activities:</b>			
(Loss)/Profit for the period/year	(1,537,341)	6,746,742	48,659,703
Adjustments for:			
Depreciation	76,576,524	54,725,279	107,525,615
Interest expense accrued	16,302,712	11,325,782	27,331,985
Foreign exchange loss on lease liabilities	1,009,490	-	-
	<b>92,351,385</b>	<b>72,797,803</b>	<b>183,517,303</b>
Increase in trade receivables	(44,536,606)	(3,084,522)	(17,495,088)
(Increase)/decrease in prepayments and other receivables	3,938,443	(396,412)	(324,243)
Increase in payables and accruals	26,963,765	11,443,226	9,563,967
	<b>78,716,987</b>	<b>80,760,095</b>	<b>175,261,939</b>
<b>Cash provided by operations</b>	<b>78,716,987</b>	<b>80,760,095</b>	<b>175,261,939</b>
Interest paid	(16,302,712)	(11,325,782)	(27,331,985)
<b>Net cash provided by operations</b>	<b>62,414,275</b>	<b>69,434,313</b>	<b>147,929,954</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	(61,200,257)	(27,311,358)	(275,793,213)
Deposit on equipment	(34,425,000)	(94,548,210)	-
<b>Net cash used in investing activities</b>	<b>(95,625,257)</b>	<b>(121,859,568)</b>	<b>(275,793,213)</b>
<b>Cash flow from financing activities</b>			
Proceeds from long-term loan	-	94,548,210	190,000,000
Repayment of loans	(7,755,208)	(1,766,200)	(11,050,461)
Short term loan	19,174,385	-	5,825,615
Dividends paid	(7,068,000)	(26,428,016)	(31,806,000)
Repayment of lease liabilities	(16,100,108)	(6,929,720)	(13,209,529)
<b>Net cash provided (used in)/by financing activities</b>	<b>(11,748,930)</b>	<b>59,424,274</b>	<b>139,759,625</b>
<b>Net increase in cash and cash equivalents</b>	<b>(44,959,902)</b>	<b>6,999,019</b>	<b>11,896,366</b>
<b>Cash and cash equivalents at beginning of period/year</b>	<b>75,890,161</b>	<b>63,993,795</b>	<b>63,993,795</b>
<b>Cash and cash equivalents at end of period/year (Note 7)</b>	<b>30,930,259</b>	<b>70,992,814</b>	<b>75,890,161</b>

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

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# Elite Diagnostic Limited

## Notes to the unaudited interim financial statements

Second Quarter and Six Months ended December 31, 2022

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### **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, 2022. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended June 30, 2022.

#### **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 and Six Months ended December 31, 2022

### 3. Share capital

	Unaudited Six months ended December 31, 2022 \$	Unaudited Six months ended December 31, 2021 \$
Authorised ordinary stock units of no par value	Unlimited	Unlimited
Issued ordinary stock units of no par value	<u>353,400,000</u>	<u>353,400,000</u>
Stated capital: Issued and fully paid ordinary stock units of no par value	<u>348,898,459</u>	<u>348,898,459</u>

#### Earnings per share

	Unaudited Six months ended December 31, 2022 \$	Unaudited Six months ended December 31, 2021 \$
(Loss)/profit attributable to shareholders	<u>(1,537,341)</u>	<u>6,746,742</u>
Weighted average number of shares	<u>(353,400,000)</u>	<u>353,400,000</u>
Earnings per share	<u>(0.004)</u>	<u>0.019</u>

	Unaudited Three months ended December 31, 2022 \$	Unaudited Three months ended December 31, 2021 \$
(Loss)/profit attributable to shareholders	<u>(7,352,190)</u>	<u>7,261,420</u>
Weighted average number of shares	<u>353,400,000</u>	<u>353,400,000</u>
Earnings per share	<u>(0.02)</u>	<u>0.02</u>

# Elite Diagnostic Limited

## List of Directors, Connected Parties and Senior Managers Shareholdings

Second Quarter and Six Months at December 31, 2022

### Directors and connected parties

#### Directors

Names	Position	Shares Held	Percentages %
Steven Gooden	Chairman	35,289,628	9.98575
Warren Chung	Executive Director	778,355	0.22025
Neil Fong	Executive Director	140,000	0.03962
Kevin Donaldson	Non-Executive Director	140,000	0.03962
Mark Kerr-Jarrett	Non-Executive Director	Nil	Nil
Quentin Hugh Sam	Non-Executive Director	824,573	0.23333
William Mahfood	Non-Executive Director	172,025	0.04868
<b>Combined Directors Holdings</b>		<b>37,344,581</b>	<b>10.56723</b>

#### Connected parties

#### Connected to

Excel Investments	Warren Chung and Neil Fong	86,674,897	24.5260
Barnett Limited	Mark Kerr-Jarrett	15,515,994	4.3905
<b>Combined Connected Parties Holdings</b>		<b>100,747,102</b>	<b>28.9165</b>
<b>Combined Holdings</b>		<b>138,091,683</b>	<b>39.07518</b>

### Senior Managers Shareholdings

Names	Position	Shares Held	Percentages %
Harvey Levers	Chief Executive Officer	-	-
Neil Fong (connected to Excel Investments)	Manager	140,000	0.0396
Marjorie Miller	Manager	-	-
<b>Combined Senior Managers Holdings</b>		<b>140,000</b>	<b>0.0396</b>

#### Connected parties

#### Connected to

Excel Investments	Warren Chung and Neil Fong	86,674,897	24.5260
<b>Combined Connected Party Holdings</b>		<b>86,674,897</b>	<b>24.5260</b>
<b>Combined Holdings</b>		<b>86,814,897</b>	<b>24.5656</b>
<b>Total issued capital</b>		<b>353,400,000</b>	

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# Elite Diagnostic Limited

## List of Directors, Connected Parties and Senior Managers Shareholdings

Second Quarter and Six Months at December 31, 2022

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### Top 10 Shareholders

Names	Share Held	Percentages %
1. Excel Investments (Connected to Warren Chung and Neil Fong)	86,674,897	24.5260
2. NCB Capital Markets Limited (Connected to Steven Gooden)	66,028,392	18.6838
3. Steven Gooden	35,289,628	9.9857
4. JCSD Trustee Services Limited - Sigma Global Venture	31,438,024	8.8959
5. Barnett Limited (Connected to Mark Kerr-Jarrett)	15,515,994	4.3905
6. Damian Chin-You	14,513,589	4.1068
7. West Indies Radiology Outsourcing Ltd.	8,000,000	2.2637
8. Everton J. Smith	5,402,466	1.5287
9. QWI Investments Limited	4,894,392	1.3849
10. Lizette Mowatt	3,703,632	1.0480
<b>Total units owned by top 10 Shareholders</b>	<b>271,461,014</b>	<b>76.8141</b>
<b>Total Issued Capital</b>	<b>353,400,000</b>	