

*This Prospectus is issued by Elite Diagnostic Limited ("the Company") and is dated December 11, 2017. A copy of this Prospectus, having attached thereto the documents required to be attached thereto by sub-section 40(2) of the Companies Act, 2004 was delivered to the Registrar of Companies for registration in accordance with the requirements of the Companies Act, 2004 and was registered by the Registrar of Companies on January 26, 2018. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus.*

*The Financial Services Commission registered this Prospectus on January 26, 2018 pursuant to Section 26 of the Securities Act. The Financial Services Commission has neither approved this Prospectus nor passed upon the accuracy or adequacy of this Prospectus.*

This Prospectus is intended for use in Jamaica only and is not to be construed as an invitation or offer to any person outside Jamaica to subscribe or apply for any of the Shares.

The Directors of the Company, whose names appear in Section 3 of this Prospectus, are the persons responsible for the information contained herein. To the best of the knowledge and belief of such Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of such persons accepts responsibility accordingly.

No person has been authorised to give any information or to make any representations other than those contained in this Prospectus.



**PROSPECTUS  
BY  
ELITE DIAGNOSTIC LIMITED**

**FOR THE ISSUE OF 70,680,000 ORDINARY SHARES  
AT A FIXED PRICE OF J\$2.00 PER SHARE**

payable in full on application

of which 18,000,000 Shares are reserved for subscription by Reserve Share Applicants at J\$2.00 per share, payable in full on subscription

**Registered Office:** 1B Holborn Road, Kingston 5, St. Andrew, Jamaica  
**Website:** [www.elite-diagnostic.com](http://www.elite-diagnostic.com)   **Email:** [info@elite-diagnostic.com](mailto:info@elite-diagnostic.com)  
**Telephone Number:** (876) 754-4169   **Fax:** (876) 754-8934

The Application List will open at 9:00 a.m. on February 5, 2018 and will close at 4:30 p.m. on February 12, 2018, subject to the right of the Company to close the Application List at any time, without notice, if subscriptions and applications have been received for the full amount of the Shares available for subscription and subject also to the right of the Company to extend the closing beyond that date in certain limited circumstances.

Applications for Shares should be made on the original Application Form provided at the end of this Prospectus or on the Application Form posted on any website as an integral part of this Prospectus. Subscriptions should be for multiples of 100 Shares subject to a minimum of 1,000 Shares. The procedure for completing the Application Form and the terms and conditions of the Prospectus are set out on the reverse side of the Application Form.

A total of 18,000,000 Shares ("the Reserved Shares") are reserved for Reserve Share Applicants at the public issuing price of J\$2.00 each. If such Reserved Shares are not fully subscribed they will be available for subscription by the general public.

In the event that the Company does not raise J\$50,000,000 (the Minimum Subscription) from the sale of Shares in this IPO all Applications will be returned to applicants along with all payments made in relation thereto (without interest).

An Application has been submitted to the Jamaica Stock Exchange for the whole of the issued ordinary share capital of the Company to be listed on the Junior Market of the Jamaica Stock Exchange. It is anticipated that the ordinary shares will be converted to stock units and will be listed within twenty one (21) days after the close of the Application List. However, the foregoing statement regarding the Company's intention to list its stock unit on the JSE is not to be construed as a guarantee that the Shares will be listed or if listed will be so listed within the time stated. If the Shares are listed, dealings will commence immediately after such listing. If the Shares are not so listed, then any provisional allotment of Shares made by the Company will be revoked and the Company will not proceed with the un-conditional allotment of Shares pursuant to this Prospectus. Accordingly, all monies received from subscribers in response to this Prospectus will be refunded, without interest, within seven (7) days after the Jamaica Stock Exchange has notified the Company of its decision to decline the listing application and in any event within forty-eight (48) days after the issue of this Prospectus.

## **SHARE CAPITAL AND INDEBTEDNESS**

	<b>Number of Shares</b>	<b>Amount of Paid in Capital</b>
<b><u>Authorised</u></b>		
Ordinary Shares	Unlimited	-
<b><u>Issued &amp; Fully Paid</u></b>		
Ordinary Shares	282,720,000	*J\$217,848,063.00
<b><u>Now Available for Subscription</u></b>		
Ordinary Shares	70,680,000	J\$141,360,000.00

\*The amount of paid in capital was determined in accordance with the International Financial Reporting Standards issued by the IFRS Foundation (see International Accounting Standard 32) by deducting the transaction costs associated with the issue of the shares (being J\$80,211,937) from the proceeds raised in the issue of such shares (being J\$298,060,000).

Up to 70,680,000 Shares in total are being offered pursuant to this Initial Public Offer (“IPO”) by the Company.

The ordinary shares being issued will have no par value. The existing issued and fully paid ordinary shares and the ordinary shares which are the subject of this IPO will rank *pari passu* in all respects with each other and with all other ordinary shares of the Company. Accordingly they will all rank equally for dividends and other distributions hereafter declared, paid or made on the ordinary share capital of the Company.

Of the maximum 70,680,000 Shares available for subscription in the IPO, 18,000,000 Shares ("the Reserved Shares") have been reserved for subscription by the Reserve Share Applicants. The number of Reserved Shares reserved for each class of Reserve Share Applicant and the maximum number of Reserved Shares which a person in each class may subscribe for is set out below:

<b>Reserve Share Applicants</b>	<b>Number of Reserved Shares for relevant Class</b>	<b>Maximum per class member</b>
Directors and Employees of the Company	4,060,000	140,000
Affiliated Doctors	700,000	140,000
Affiliated Entities	420,000	140,000
Referring Doctors Tier 1	6,160,000	140,000
Referring Doctors Tier 2	1,900,000	100,000
Medical Practitioners	4,760,000	-

The pool of 4,760,000 Reserved Shares reserved for Medical Practitioners will be available for allotment to, or among, them on a "first come first served basis" without any guaranteed minimum allotment. Reserved Shares not subscribed for by Reserve Share Applicants will be available for subscription or purchase by other investors at the general IPO price of J\$2.00 per share.

If the Company's application for listing on the Jamaica Stock Exchange is accepted then prior to such listing the Company intends to convert all its issued ordinary shares into stock units.

## **INDEBTEDNESS**

At the close of business on December 6, 2017 the Company's financial indebtedness to banks, financial institutions and other lenders was for an aggregate sum of J\$202,108,958.00. The Company has not issued any guarantees or assumed any contingent liability. The Company has incurred legal, accounting and financial advisory fees, printing costs, registration fees and the like in connection with the transactions contemplated by this Prospectus.

**NO PART OF THIS IPO IS UNDERWRITTEN.**

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## 1. DEFINITIONS

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The following definitions apply throughout this Prospectus unless the context otherwise requires:

<b>"Affiliates"</b>	(i) the Directors and employees of the Company, (ii) Affiliated Doctors, (iii) the Affiliated Entities, (iv) Referring Doctors Tier 1 and (v) Referring Doctors Tier 2
<b>"Affiliated Doctors"</b>	medical doctors who provide radiology services to the Company
<b>"Affiliated Entities"</b>	three (3) companies which have supplied services to Elite
<b>"Articles"</b>	the Articles of Incorporation of the Company
<b>"Application Form"</b>	the subscription form or application form for Shares in the IPO
<b>"Auditors"</b>	Mair Russell Grant Thornton
<b>"Business Day"</b>	any day (other than a Saturday, Sunday or public general holiday) on which banks are open for business in the Corporate Area of Kingston & Saint Andrew
<b>"Closing Date"</b>	the date on which the List closes
<b>"the Company"</b> or " <b>Elite</b> "	Elite Diagnostic Limited, a company incorporated under the laws of Jamaica, and being the Company making the IPO
<b>"Directors"</b> or " <b>Board</b> "	the Board of Directors of the Company including a duly authorized committee thereof
<b>"Dollars"</b> or " <b>J\$</b> "	Jamaican dollars
<b>"FSC"</b>	the Financial Services Commission
<b>"Government"</b>	the Government of Jamaica
<b>"Independent Directors"</b>	Directors of Elite who are not associated with the Company's shareholders
<b>"Investors"</b>	subscribers for Shares in the IPO
<b>"IPO"</b>	the initial public offer whereby the public is invited to subscribe for Shares to be issued by the Company

<b>“IPO &amp; Listing Expenses”</b>	all costs incurred in connection with the IPO and the listing of the Shares on the Junior Market of the JSE including but not limited to (i) legal fees; (ii) co-lead brokers’ fees; (iii) registration fees payable to the Registrar of Companies and the FSC; (iv) the JSE listing fees and (v) other expenses and disbursements associated with the IPO and the listing of the Shares
<b>“JSE”</b>	the Jamaica Stock Exchange
<b>“JSE Rules”</b>	the rules made by the JSE from time to time
<b>“JCSD”</b>	the Jamaica Central Securities Depository
<b>“Junior Market”</b>	the Junior Market of the Jamaica Stock Exchange
<b>“Co-Lead Brokers”</b>	NCBCM and Sagicor Investments
<b>“List”</b>	the Subscription or Application List applicable to the IPO
<b>“Medical Practitioners”</b>	medical doctors (including specialists) who are certified by the Medical Council of Jamaica to practice medicine and who are not Affiliated Doctors, Referring Doctors or Affiliates
<b>“NCBCM”</b>	NCB Capital Markets Limited, a company incorporated under the laws of Jamaica
<b>“Opening Date”</b>	the date of which the List opens for subscription
<b>“Referring Doctors”</b>	Referring Doctors Tier 1 and Referring Doctors Tier 2
<b>“Referring Doctors Tier 1”</b>	medical doctors who have (i) within the last two years prior to the date of this Prospectus referred patients to the Company, and (ii) received notification from the Company that 140,000 Shares in the IPO are reserved for subscription by each of them
<b>“Referring Doctors Tier 2”</b>	medical doctors who have (i) within the last two years prior to the date of this Prospectus referred patients to the Company, and (ii) received notification from the Company that 100,000 Shares in the IPO are reserved for subscription by each of them
<b>“Reserve Share Applicants”</b>	the Affiliates and the Medical Practitioners
<b>“Sagicor Investments”</b>	Sagicor Investments Jamaica Limited, a company incorporated under the laws of Jamaica

<b>“Share”</b>	an ordinary share in the capital of the Company includes an ordinary stock unit and <i>vice versa</i>
<b>“Shareholder”</b>	includes stockholder and <i>vice versa</i>
<b>“Subscriber” or “Applicant”</b>	a person who applies for Shares in the IPO
<b>“WIROL”</b>	West Indies Radiology Outsourcing Limited

In this Prospectus, the singular includes the plural and *vice versa* references to one gender include all other genders. References to “person” include any individual, company or other corporate body or any firm or partnership.

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## **2. IMPORTANT NOTICE & DISCLAIMER**

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**2.1 If you are in doubt about the contents of this Prospectus, you should consult your stockbroker, securities dealer, investment adviser, bank manager, attorney-at-law, professional accountant or other professional adviser.**

**2.2 You should not subscribe for any of the Shares unless you have received and read or had the opportunity to read this Prospectus in full. You should rely only on information contained in, or incorporated by reference in, this Prospectus. No one has been authorized by the Company to provide you with different information. The Shares are available for subscription only in Jamaica. The Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted by law and, accordingly, persons into whose possession this Prospectus may come are required to inform themselves about, and to observe, such restrictions.**

**2.3 The Shares have not been nor will they be registered or qualified under the United States Securities Act, 1933, as amended, (the "1933 Act") or any applicable Blue Sky law or other security law of any State or political sub-division of the United States of America. The Shares may not be offered, sold, transferred, or delivered, directly or indirectly in the United States of America, its territories or possessions or any area subject to the jurisdiction of the United States or in any other country in which an invitation to subscribe for the Shares or the offering of the Shares is not permitted by applicable law.**

**2.4 The Directors of the Company do not claim the accuracy of the information in this Prospectus as of any date other than the date on which it is signed by the Directors.**

**2.5 This Prospectus should not be considered as a recommendation by the Company or the Co-Lead Brokers to any recipient of this Prospectus to subscribe for or purchase any of the Shares. Each investor contemplating a subscription for any Shares should make his own independent investigation and appraisal of the financial condition, creditworthiness and affairs of the Company.**

**2.6 This Prospectus contains forward-looking statements. Specifically, forward-looking statements are found in Section 10 including the financial projections. Forward-looking statements are also found in other places throughout the document and may be identified by accompanying language such as "expects", "intends", "anticipates", "estimates" and other cognate or analogous expressions or by qualifying language or assumptions. These statements involve both known and unknown risks, uncertainties and other important factors that could cause the actual results or outcome to differ materially from the forward-looking statements.**

**2.7 The risks, uncertainties and other factors which are beyond the control of the Company include among others:**

- (a) general economic and business conditions (both locally and internationally);
- (b) competition;
- (c) changes in political, social and economic conditions impacting adversely on the securities market in general and on the Company in particular;
- (d) regulatory initiatives adversely affecting the securities market or the Company in particular;
- (e) compliance with governmental regulations;
- (f) natural disasters such as earthquake and hurricane;
- (g) changes in the relationship between the Company and its Affiliates and/or Referring Doctors;
- (h) failure of key equipment;
- (i) claims for professional negligence;
- (j) changes in tax policy, the application of tax laws and the like and/or the Government regulatory regime.

2.8 If you are thinking of purchasing Shares in the Company you are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Prospectus. The Company and the Co-Lead Brokers expressly disclaim any obligation or undertaking to distribute any updates or revisions to any forward-looking statements or to reflect changes in subscriber's expectations with regard to those statements or any changes in events, conditions or circumstances on which any forward-looking statement is based.

**2.9 Prospective Investors should be aware that the price of the Shares and the income derived from them can go down as well as up. There is no assurance that the investment objectives of the Company will be actually achieved.**

2.10 Neither the FSC, nor the Registrar of Companies or any other Government agency or regulatory authority in Jamaica has made any determination as to the accuracy or adequacy of the matters contained in this Prospectus.

2.11 The Co-Lead Brokers (in their capacity as such) and any other selling agent or dealer that may be appointed have not, and are not expected to, separately verify the information contained in this Prospectus. None of the Co-Lead Brokers nor any other selling agent or dealer makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Prospective Investors should ensure that they understand the nature of the Shares and the extent of their exposure to risk and that they consider the suitability of the Shares as an investment in light of their own circumstances and financial condition.

2.12 For convenience, the website addresses of certain parties have been provided in this Prospectus. Except as expressly set forth in this Prospectus, no information on such websites should be deemed to be incorporated in, or form part of this Prospectus and the Company takes no responsibility for the information contained on such websites. The Jamaica Stock Exchange has approved the publication of the Prospectus on its website in accordance with Junior Market Rule 502(2) and accordingly is expected to upload the Prospectus to its website ([www.jamstockex.com](http://www.jamstockex.com)).

2.13 This Prospectus may be sent to you in electronic form. You are reminded that documents transmitted via that medium may be altered or changed during the process of transmission and consequently neither the Company nor the Co-Lead Brokers or other selling agent nor any of their respective directors, officers, employees or advisers accepts any responsibility whatsoever in respect of any difference between the Prospectus delivered to any prospective Investors in electronic form and the hard copy version registered with the Registrar of Companies.

**2.14 Notwithstanding anything herein, and in particular the use of the market term “Offer” and other cognate expressions, this Prospectus does not constitute and is not intended to be an offer by or on behalf of the Company to sell any of the Shares. It is instead an invitation to treat. An Investor who submits an Application Form shall be deemed to be making an offer to subscribe for or purchase Shares in the Company. The Company may or may not accept such offer. Acceptance of any such offer will occur only by way of allotment of Shares by the Company. In submitting an Application Form each Investor acknowledges the foregoing legal effect of the Prospectus and of his subscription.**

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### **3. DIRECTORS, SECRETARY & ADVISORS TO THE IPO**

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#### **DIRECTORS**

Name	Position	Further Information
<b>Steven Gooden, B.Sc., M.Sc., CFA</b>	Chairman	See Section 11.3
<b>Warren Chung, B.Sc.</b>	Executive Director	
<b>Dr. Neil Fong, B.Sc., M.B.B.S</b>	Executive Director	
<b>Andre Ho Lung, FCCA, M.Sc.</b>	Non-executive Director	
<b>Kevin Donaldson, B.Sc., M.B.A</b>	Non-executive Director	
<b>Paula Kerr-Jarrett, B.A., LL.M.</b>	Non-executive Director	
<b>Quentin Hugh Sam, B.Sc.</b>	Non-executive Director	
<b>Peter D. Chin, B.Sc., M.B.A.</b>	Non-executive Director	
<b>William Mahfood, B.Sc.</b>	Non-executive Director	

#### **COMPANY SECRETARY**

Name	Further Information
<b>Dr. Neil Fong, B.Sc. , M.B.B.S.</b>	See Section 11.4

## ADVISORS

Description	Name	Address	Further Information
<b>Mentor</b>	Christopher Bovell, C.D. M.A, LL.M. (Cantab.)	48 Duke Street Kingston	See Section 11.11
<b>Registrar and Transfer Agent</b>	Jamaica Central Securities Depository Limited	40 Harbour Street Kingston	-
<b>Co-Lead Brokers &amp; Financial Advisors</b>	NCB Capital Markets Limited	The Atrium 32 Trafalgar Road Kingston 10	-
	Sagicor Investments Jamaica Limited	Sagicor Bank Building 85 Hope Road Kingston 6	-
<b>Auditors</b>	Mair Russell Grant Thornton	3 Haughton Avenue Kingston 10	-
<b>Legal Advisors to Issuer</b>	Patterson Mair Hamilton	Temple Court 85 Hope Road Kingston 6	-

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## **4. SUMMARY OF IPO**

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<b>ISSUER:</b>	Elite Diagnostic Limited
<b>SECURITIES:</b>	Up to 70,680,000 Ordinary Shares
<b>RESERVED SHARES:</b>	18,000,000 Ordinary Shares
<b>SUBSCRIPTION PRICE:</b>	J\$2.00 per Share
<b>APPLICATION FORM:</b>	See Appendix 1
<b>OFFER TERMS AND CONDITIONS:</b>	See Section 17
<b>PAYMENT METHOD:</b>	See Section 17
<b>TIMETABLE OF KEY DATES:</b>	<u>Registration of Prospectus</u> : January 26, 2018  <u>Publication of Prospectus</u> : January 29, 2018  <u>Opening Date</u> : 9:00 A.M. February 5, 2018  <u>Closing Date*</u> : 4:30 P.M. February 12, 2018 (subject to early closing once fully subscribed)
<b>APPLICATION PROCEDURES:</b>	Application Forms must be submitted to one of the Co-Lead Brokers, along with the requisite payment, in immediately available funds. See Section 17 for further details
<b>BASIS OF ALLOTMENT:</b>	Application Forms that meet the requirements set out in this Prospectus will be accepted on a “first come first served basis”.
<b>CONFIRMATION OF SHARE ALLOTMENTS:</b>	All Applicants may refer to the confirmation instructions that will be posted on the website of the JSE ( <a href="http://www.jamstockex.com">www.jamstockex.com</a> ) after the Closing Date
<b>REFUNDS:</b>	Available for collection where originally submitted within ten (10) Business Days of the Closing Date and, in any event within, 40 days after the issue of the Prospectus
<b>FINAL ALLOTMENT AND LISTING OF SHARES:</b>	Within twenty-one days (21) of the Closing Date; subject to being admitted for listing by

the Board of the JSE on the Junior Market of the  
JSE.

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## 5. IPO DETAILS

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### General Overview

5.1 By this IPO the Company is inviting prospective investors to subscribe for 70,680,000 Shares at the subscription price of J\$2.00 per Share.

### IPO by Elite

5.2 The details of this Initial Public Offer by Elite are as follows:

<b>IPO Issuer</b>	Elite Diagnostic Limited, a company incorporated under the laws of Jamaica
<b>Securities Available for Subscription</b>	70,680,000 newly issued Ordinary Shares in the capital of the Company of which 18,000,000 Shares are reserved for Reserve Share Applicants
<b>Subscription Price</b>	J\$2.00 per Share
<b>How Payable</b>	In full on application
<b>Minimum Application</b>	1,000 Shares or J\$2,000.00
<b>Minimum Fundraising</b>	For the purposes of section 48 of the Act the minimum amount which, in the opinion of the Directors, must be raised and received by the Company as a result of this IPO in order to provide for the matters set out in paragraph 2 of the Third Schedule to the Act is J\$50,000,000 ("the Minimum Subscription").
<b>Condition Precedent to Allotment</b>	Allotment or allocation of Shares will be conditional upon (i) the Company raising the Minimum Subscription and (ii) the Shares being admitted for trading on the Junior Market of the Jamaica Stock Exchange. Application for listing on the Junior Market will be made by the Company promptly after close of the IPO. If the Company does not raise the Minimum Subscription or the Shares are not admitted for trading on the Junior Market then all provisional allotment or allocation of Shares will be cancelled and payment returned in full to subscribers or applicants in the IPO
<b>IPO Capitalisation</b>	J\$141,360,000.00

<b>Use of Proceeds of IPO</b>	The Company has incurred certain debt obligations in the process of expanding its business and intends to use the net proceeds of the IPO to retire part of this debt, pay IPO & Listing Expenses and/or to provide working capital for the Company
<b>Prospectus Publication Date</b>	January 29, 2018
<b>Subscription/Application List Opens</b>	February 5, 2018
<b>Application List Closes</b>	4.30 p.m. on February 12, 2018 (subject to right of Elite to close at any time after the IPO is fully subscribed)
<b>Basis of Allotment</b>	“First come first served basis”. The Company reserves the right to allot or allocate, on any application, less Shares than the number applied for
<b>Announcement of Allotment</b>	By February 26, 2018
<b>Refund Cheques</b>	Within 10 Business Days after the close of the IPO and, in any event, within 40 days after the issue of the Prospectus
<b>Listing</b>	Application for listing will be made to the JSE to list on the Junior Market
<b>Co-lead Brokers</b>	NCB Capital Markets Limited and Sagicor Investments Jamaica Limited

Notes:

1. The IPO may close at any time after it is fully subscribed. Notice of such closure will be published immediately on the websites of NCBCM ([www.ncbcapitalmarkets.com](http://www.ncbcapitalmarkets.com)) and Sagicor Investments ([www.sagicorjamaica.com](http://www.sagicorjamaica.com)) and the Company's website ([www.elite-diagnostic.com](http://www.elite-diagnostic.com)) and will be sent to the JSE. The JSE may elect to publish the notice on its website ([www.jamstockex.com](http://www.jamstockex.com)). Notice will also be sent to the local Press.
2. Announcement of allotment will be made on the web sites of NCBCM ([www.ncbcapitalmarkets.com](http://www.ncbcapitalmarkets.com)) and Sagicor Investments ([www.sagicorjamaica.com](http://www.sagicorjamaica.com)) and the Company's web site ([www.elite-diagnostic.com](http://www.elite-diagnostic.com)) and notified to the JSE and the local Press.
3. The JSE may refuse to list the Company's Shares on the Junior Market. Accordingly, no assurance can be given that the Shares will be listed for trading on that market or on the day proposed.
4. The allotment of Shares in the IPO is conditional on the issued ordinary share capital of the Company being listed on the Jamaica Stock Exchange within twenty-one (21) days after the close of the Application List. In the event that this condition is not met, the Company will not proceed with the allotment of Shares and all subscription monies tendered by potential investors for any of the Shares will be refunded to them without interest within forty (40) days of the issue of the Prospectus.
5. Each application must be for a minimum of 1,000 Shares and in multiples of 100 Shares. In the event that subscriptions or applications are received for more Shares than the number of Shares available for subscription in this IPO, allotment will be made on a "first come first served basis".
6. Applications for Shares should be made in accordance with the procedure set out in Section 17 of this Prospectus and the allotment of Shares will be made on the basis set out in that Section. Within three (3) days after the close of the Application List the JSE shall be notified of the basis of the allotment or allocation. The allotment of Shares to subscribers who take up Shares will be made and announced within seven (7) days after of the close of the Application List. A list of the allottees or purchasers in the IPO will be submitted to the JSE within ten (10) days after the close of the Application List.
7. However, until the Shares are listed on the Jamaica Stock Exchange allotment to subscribers, even if notified to them, shall be only provisional and will be revoked by the Company if the Shares are not listed on the JSE.
8. **The IPO is not underwritten.**
9. The ownership structure of the Company before and, if the Shares are listed, indicatively, after the IPO is shown below.

BEFORE IPO:

<b>Shareholders</b>	<b>Shareholding (Ordinary Shares)</b>	<b>Approx. % Issued Capital</b>
Excel Investments Inc.	145,140,264	51.34%
NCB Capital Markets Limited	83,713,392	29.61%
Sagicor Investments Jamaica Limited	27,904,464	9.87%
Barnett Limited	22,165,248	7.84%
Lizette Mowatt	3,703,632	1.31%
Warren Chung	93,000	0.03%
<b>TOTAL</b>	<b>282,720,000</b>	<b>100%</b>

AFTER IPO (Assuming that all Shares in the IPO are fully taken up by the public and the Reserve Share Applicants):

<b>Shareholders</b>	<b>Shareholding (Ordinary Shares)</b>	<b>Approx. % Issued Capital</b>
Excel Investments Inc.	145,140,264	41.07%
NCB Capital Markets Limited	83,713,392	23.69%
Sagicor Investments Jamaica Limited	27,904,464	7.90%
Barnett Limited	22,165,248	6.27%
Lizette Mowatt	3,703,632	1.05%
Warren Chung	93,000	0.02%
Reserve Share Applicants	18,000,000	5.09%
Members of the Public	52,680,000	14.91%
<b>TOTAL</b>	<b>353,400,000</b>	<b>100%</b>

AFTER the IPO, each class of Reserve Share Applicants will hold the following number of Shares (Assuming that all Reserved Shares in the IPO are fully taken up by the Reserve Share Applicants)

<b>Reserve Share Applicants</b>	<b>Shareholding (Ordinary Shares)</b>	<b>Approx. % Issued Capital</b>
Directors and Employees of the Company	4,060,000	1.15%
Affiliated Doctors	700,000	0.20%
Affiliated Entities	420,000	0.12%
Referring Doctors Tier 1	6,160,000	1.74%
Referring Doctors Tier 2	1,900,000	0.54%
Medical Practitioners	4,760,000	1.34%

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## **6. PRE-IPO TRANSACTIONS**

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6.1 In anticipation of this IPO the Company on November 11, 2017 adopted resolutions whereby:

- (i) the Company was converted from a private company to a public company;
- (ii) the Company adopted a new set of Articles of Incorporation to conform with its status as a public company and with the Rules prescribed by the JSE for listed companies;
- (iii) the Company is authorized to issue an unlimited number of shares;
- (iv) each of the issued ordinary shares in the capital of the Company were subdivided into 93 ordinary shares;
- (v) all the Company's issued Ordinary Shares were converted into stock units.

6.2 On April 11, 2012 the Company, entered into a Lease Agreement with Icyline Lee and Patrick Anthony Lee pursuant to which it leased premises located at 1B Holborn Road, Kingston 5 owned by the Lees. The Lees subsequently transferred their ownership of the Holborn Road premises to Shipping Association of Jamaica Property Limited. Under the lease the landlord granted to the Company and lessee a term of 5 years commencing August 11, 2012 and ending August 10, 2017. The lease agreement also granted to the Company an Option to Renew for a further 5 years. The Company has exercised this option and accordingly the lease will terminate on August 10, 2022.

6.3 On May 1, 2017 the Company entered into a Lease Agreement with Tommison Investments Limited under which it leased premises located at 164 ½ Old Hope Road, Kingston 6. This lease granted a term of 5 years to the Company commencing September 1, 2017 and ending August 31, 2022. The Company also has an option to renew for an additional 5 years but has not yet exercised that option.

6.4 The Company utilizes the services of Dr. Kevin Palmer, a Consultant Radiologist. The Company does not have a written contract with Dr. Palmer for the provision of his services, which are provided pursuant to an oral arrangement. Dr. Palmer provides on-site interpretations of images produced by the Company's diagnostic imaging equipment at the Company's Holborn Road office and produces reports based on his interpretations which are then provided to patients.

6.5 On June 1, 2017, the Company entered into an agreement with West Indies Radiology Outsourcing Limited ("WIROL") whereby WIROL provides radiology services to the Company. Under this agreement, WIROL provides on and off-site interpretations of all standard X-ray procedures, ultrasounds, CT Scans and MRIs. WIROL uses these interpretations to generate reports which are then sent to patients. The Agreement is for a term of two years which expires on May 31, 2019.

6.6 The Company has also engaged Mair Russell Grant Thornton, Chartered Accountants, as its external auditors.

6.7 The Company's equipment is routinely serviced by Arel Limited, a company incorporated and operating in Jamaica. The Company has not entered into a written contract with Arel for the provision of maintenance services, however such services are provided in accordance with an agreed maintenance schedule.

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## **7. RISK FACTORS**

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**7.1 In addition to other information set forth in this prospectus, investors should consider carefully the risks described below before subscribing for or purchasing Shares in the Company. These risks are not the only ones facing investors. Additional risks, not presently known to the Directors, or that the Directors may presently consider to be immaterial, may also impair the Company's operations.**

**7.2 This Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated as a result of certain factors, including the risks faced by the Company described below and elsewhere in this Prospectus. You should read Section 2 entitled "Important Notice & Disclaimer" for more information.**

### **Risk In Relation To the First Issue**

**7.3 The Company has been operating for four (4) years. This being the first public issue of Shares by the Company, no formal market for the Shares has been established. The subscription price for the Shares has been determined by the Directors on the advice of the Co-Lead Brokers. The IPO price should not be taken to be indicative of the market price of the Shares, after they are listed on the Junior Market of the Jamaica Stock Exchange. No assurance can be given regarding active or sustained trading in the Shares of the Company or regarding the price at which the Shares will be traded subsequent to the listing of the Shares on the Jamaica Stock Exchange.**

### **Ordinary Stock Price Fluctuations**

**7.4 The trading price of the Shares may fluctuate significantly after the IPO and may continue to do so in the future. Some of the reasons for fluctuations in the price of the Shares include but are not limited to:**

- announcements of developments related to the Company's business;
- the issue of additional shares by the Company from time to time;
- general conditions in the economy;
- changes in the law regarding several matters including but not limited to taxation;
- changes in the Rules of the Junior Market.

In addition, trading prices on the Junior Market of the Jamaica Stock Exchange may be particularly subject to volatility. In many cases, the fluctuations may be unrelated to the operating performance of the affected companies. As a result, the price of the Shares could fluctuate in the future without regard to operating performance.

### **Changes in Government Policies**

7.5 The Government of Jamaica may from time to time effect changes in policies, laws or regulations, which may have an adverse impact on the performance of the Company. The Company operates in the health sector area which is very dynamic and subject to Government policy changes from time to time- especially when a change of Government occurs.

### **Risk relating to Marketability of the Shares**

7.6 The Shares, though listed on the Jamaica Stock Exchange, may not be readily saleable and shareholders who may want to “*cash-out*” may not be able to do so or may only be able to do so at a discount.

### **Risks of hurricane, fire and other Acts of God**

7.7 Catastrophic events affecting Jamaica such as hurricane and earthquake could impact generally on economic activity in Jamaica and the operations of the Company. The properties from which the Company operates are susceptible to loss or damage by fire, hurricane, earthquake, flood and other perils. The Company maintains customary fire and peril insurance on all key equipment at its Holborn Road and Old Hope Road offices.

### **Foreign Currency Risk**

7.8 The Company has some exposure to foreign currency risks. Earnings of the Company are customarily in Jamaican dollars but its diagnostic equipment are purchased abroad with foreign currency - typically United States dollars. Historically, the Jamaica dollar tends to decline against its United States counterpart so the Company may face increasing United States dollar cost in paying for, replacing or maintaining equipment on comparative declining local revenues. However, more recently, the Jamaican dollar has been appreciating against the United States dollar.

7.9 The Company has recently purchased a 3T MRI scanner from General Electric Company (“GE”). Elite paid half of the purchase price for the scanner and the other half was financed by GE. The terms of the sale agreement require Elite to pay the financed amounts in twenty (20) equal quarterly installments with interest (see Section 9.15 for further information). Both payments are made in US dollars. Accordingly, the depreciation of the Jamaican dollar relative to its United States counterpart would increase the Company’s payment obligations to GE.

### **Operational Risks**

7.10 In the execution of its business functions the Company is exposed to operational risks arising from failures in systems and the processes through which it operates. Critical areas of operational risks include:

- (a) errors by employees’, contracted Radiologists and other radiology service providers;

- (b) key equipment, computer and network failure;
- (c) acts of God (including but not limited to fire, flooding, earthquake);
- (d) data entry errors, accounting errors; and
- (e) fraud (internal and external) or other criminal activity.

The Board of Directors will seek to counter such risks by maintaining a comprehensive system of internal controls and administrative checks and balances to monitor transactions supported by a robust external auditing oversight. The Company has also engaged Carlton Passley to provide consultancy and internal audit services. Mr. Passley attended the University of the West Indies where he obtained a B.Sc. in Management Studies and a M.Sc. in Accounting. He has 18 years accountancy and audit experience. It is expected that Mr. Passley will establish robust internal auditing systems.

### **Control of the Company**

7.11 The Company is currently controlled by Mr. Warren Chung and Dr. Neil Fong ("the Founders") through the controlling shareholder Excel Investments Inc. and operates in accordance with the Founder's philosophy. The Founders could leave the Company and sell their shares in the controlling shareholder at any time. If this were to occur control of the Company would change which may result in the Company adopting a new operational philosophy.

### **Thin market in Company's Shares**

7.12 The Junior Market of the Jamaican Stock Exchange is relatively small and the market in the Company's Shares may be relatively thin compared to larger capital markets. That means that trades in small quantities of the Company's Shares can trigger wide swings (up or down) in the market price of the Shares and make it easier for the stock price to be manipulated. In this IPO the minimum subscription will be J\$2,000 for 1,000 Shares. This IPO is directed at retail investors, especially young emerging professionals and business practitioners who wish to invest for the medium or long term. The IPO is also expected to appeal to long term investors such as pension funds and institutional investors.

### **Key Personnel**

7.13 The provision of diagnostic services by the Company is highly dependent on radiologists and technicians. Radiologists and technicians are highly qualified professionals who undergo extensive training, as a result they are indispensable to the Company's operations.

7.14 The Company utilizes the services of an independent radiologist (Dr. Kevin Palmer) and West Indies Radiology Outsourcing Limited ("WIROL") to provide radiology services. The bulk of those services are provided by WIROL. If WIROL were to

terminate the provision of its services unexpectedly the Company's operations would be significantly disrupted which could result in a reduction of income. If the Company is unable to attract and retain a sufficient number of experienced radiologists or radiology service providers its ability to provide diagnostics services could diminish which in turn could have an adverse impact on the Company's revenue, growth and future prospects. The Company is also susceptible to increased labour costs if it is forced to compete with other service providers for the services of radiologists.

7.15 Similarly, the inability of the Company to maintain a sufficient number of suitably qualified radiographers and technicians could have a negative impact on the Company's operations, financial position and future prospects.

### **Referrers**

7.16 Elite relies substantially on unaffiliated medical practitioners and hospitals ("Referrers") to refer patients to the Company for diagnostic imaging services. These Referrers are not obligated or contracted to refer patients to the Company. Referrers could reduce the number of patients they refer to Elite at any time especially if they perceive that the Company's practices, procedures, expertise or equipment are inferior to its competitors or if the Company otherwise develops a poor reputation. A significant decrease in the number of referrals would likely have a negative impact on the Company's financial position.

### **Competition**

7.17 Competition from existing and new providers of diagnostic services could erode the Company's client base which would negatively impact on the profitability of the Company's business. Competitors may bring new services or technologies to the market or lower the service prices. The Company may be forced to respond to any such changes, for example by lowering prices or investing in new equipment earlier than planned.

### **Liability Claims**

7.18 As a provider of diagnostic imaging services, the Company is exposed to claims from patients and employees for damages relating to injury or loss of life. Any such claim against the Company could result in reputational damage and loss of goodwill. Successful claims could, subject to the Company's liability insurance cover, impact negatively on the Company's financial position and future prospects.

### **New Technologies**

7.19 The development of new and improved diagnostic imaging technology is an ongoing process. The Company's current equipment could in time become less competitive, or even obsolete, before the end of their useful life when improved imaging technology becomes available. In such circumstances the Company would have to expend funds to upgrade or replace such equipment. Advances in technology could also render the need for Elite's services unnecessary. Changes in diagnostic imaging

technology which the Company cannot respond to in a timely manner could significantly impact on the Company's financial position and future prospects.

### **Equipment Failure**

7.20 The Company relies on its equipment base, which includes its diagnostic imaging equipment, computers and networks, to provide diagnostic services to its customers. Failure of critical equipment could result in a diminished ability to provide diagnostic services which could negatively impact on the Company's financial position.

7.21 The Company has sought to minimize this risk by implementing quarterly maintenance of key equipment and the use of qualified staff to operate them.

### **Radiation Exposure, Dangerous Magnetic Fields**

7.22 Employees, agents, contractors, service providers and patients can be exposed to radiation and dangerous electro-magnetic fields produced by the operation of diagnostic imaging equipment.

7.23 The Company has implemented general protection procedures consistent with industry practice to restrict exposure to ionizing radiation and risks associated with the use of MRI machines, ablative and therapeutic devices. The Company will also prepare a quality control manual for the safe use of diagnostic imaging equipment.

### **Leased Premises**

7.24 The Company carries on its operations from leased premises at 1B Holborn Road and 164½ Old Hope Road. The initial lease term for the Holborn Road location was for a period of 5 years commencing from August 11, 2012. The initial term expired on August 10, 2017. The Company exercised its option to renew the lease for a further 5 years which expires August 10, 2022. The initial lease term for the Old Hope Road location is for a period of 5 years commencing from September 1, 2017 and expires on August 31, 2022. If any of the leases is terminated prematurely, for any reason, the Company's operations would be disrupted. This would result in loss of earnings and the Company would likely incur additional costs locating and in out-fitting new offices.

### **Taxation risks**

7.25 There are taxation risks associated with a listing on the Junior Market. First, if the Company is suspended from the Junior Market the relevant Tax Remission Notice provides that the Company would lose the income tax waiver accorded to Junior Market companies. It is unclear whether the tax waiver deprivation would apply only during the period of suspension or whether the loss would be permanent or even whether it would also apply retroactively to require the Company to pay tax waived during the period when the Company was duly listed. The tax waiver is also conditional upon the Company remaining listed on the Junior Market and or the main market of the Jamaica Stock Exchange for a continuous period of fifteen (15) years. If the Company fails to remain listed for the 15-year period then it will immediately become liable to pay all

income tax remitted by the Remission Notice for the years when it enjoyed the remission.

### **Risk Management**

7.26 The Company's goal in risk management is to ensure that it understands, measures, and monitors the various risks that arise and that it adheres strictly to the policies and procedures, which are established to address these potential risks. The Board of Directors of the Company is ultimately responsible for the overall risk management policies of the Company. The Board's Audit Committee will oversee the Company's risks policies and procedures relating to the financial statements and reporting process as well as the internal controls of the Company. The Board's Remuneration Committee will oversee risks related to compensation.

7.27 Threshold responsibility for risk management will be assigned to the Managing Director who, as part of his duties, will be required, on a day-to-day basis, to identify, assess, monitor and manage all principal risks in accordance with well-defined policies and procedures. Risk reporting will be an item on the agenda of each regular Board Meeting. This approach will allow the Company to develop early warning signals that monitor changes in risk affecting its operation and financial performance. The Company has appointed Christopher Bovell as its mentor. Mr. Bovell is a highly experienced attorney at law who has served on the Board of several public companies. He will assist the Company to establish a Junior Market and legal compliance regime to ensure that the Company strictly adheres to the Junior Market Rules and all legal reporting requirements. The Directors do not guarantee that changes in the local and international markets will not have any materially adverse impact on the Company's financial results.

### **No guarantee that the Company will pay dividends**

7.28 Any dividend on the Shares will be dependent upon the performance of the Company. The Company's dividend policy is set out at Part 12 below and should not be construed as a dividend forecast. Under Jamaica law a company can only pay dividends to the extent that it has distributable reserves and cash on hand to pay such dividends. Even where the Company has distributable reserves the Directors may decide not to pay a dividend if to do so would render the Company inadequately capitalized or if for any other reason the Directors considers that paying a dividend at that time would not be in the best interest of the Company. No dividend can be paid unless recommended by the Directors.

### **Future Issuance of Shares may dilute the holding of Shareholders and depress the price of the Shares**

7.29 Other than in connection with this IPO the Company has no intention to issue further Shares in the Company at this time. It is possible however that the Company may decide to issue additional Shares at a later date. Any future issue of Shares by the Company for cash would have to be made by way of a rights issue but if the Shares were issued in exchange for property such as real estate or an item of equipment or other

non-cash consideration then the Company would not be obliged to do so by way of a rights issue and could issue the additional shares to the “seller” of the relevant property. An issue of additional Shares could dilute the holdings of existing Shareholders and adversely affect the prevailing market price of the Shares. It could also impair the ability of the Company to make further issue of Shares at a later date.

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## **8. INDUSTRY OVERVIEW**

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### **Overview**

8.1 The Jamaican health sector is comprised of both public and private entities. The majority of the population uses the public sector, which provides services at the primary, secondary and tertiary levels of care.

8.2 Primary level refers to health centres and community hospitals and is offered in 318 health centres. Health centres are classified as Type 1-5 in relation to services offered and population served.

8.3 Secondary and tertiary level services refer to care offered in hospitals classified as types A, B, C and Specialist according to bed capacity and services offered. Secondary care is offered in 24 hospitals including University Hospital of the West Indies and accounted for some 468 hospital beds. Three of the 24 hospitals continue to deliver both secondary and tertiary level services – Kingston Public Hospital, Cornwall Regional and UHWI. Throughout the Island both primary and secondary care facilities also operate as training facilities. Specialized care is offered through the Bustamante Hospital for Children, Victoria Jubilee Hospital, Bellevue Hospital, National Chest Hospital, Hope Institute and Sir John Golding Rehabilitation Centre.

8.4 Healthcare in the private sector is provided through 10 private hospitals and over 495 pharmacies. The private sector provides care at all three levels as well as leads the health sector in the use of new technologies and health modalities. Certain Non-governmental organizations (NGOs) also provide health services to the public. The NGOs which provide health services are the Heart Foundation of Jamaica, the Jamaica Cancer Society and the Diabetic Association of Jamaica. Basic screening services are also provided through some churches and associations.

8.5 At the Primary level of care, the Ministry of Health (MOH) public health services deliver care through a network of 384 primary health care centres. Patients are referred from this level for secondary and tertiary care. The MOH public health sector has 24 secondary-level hospitals providing hospitalization and surgery. Five Tertiary care hospitals provide specialist care. These services are complemented by hospitals, laboratories, radiology and areas of specialization from the private health sector.

8.6 Medical imaging plays a critical role in establishing the diagnoses for innumerable conditions and it is used routinely in nearly every branch of medicine. The advancement of imaging technologies has improved the ability of clinicians to detect, diagnose, and treat conditions while also allowing patients to avoid more invasive procedures. For many conditions (e.g., brain tumors), imaging is the only non-invasive diagnostic method available. The appropriate choice of imaging modality depends on the disease, organ, and specific clinical questions to be addressed.

8.7 The diagnostic industry is broken into different levels of classification such as laboratory services, Magnetic Resonance Imaging (MRI), X-ray/Radiography Imaging, Ultrasound Imaging, CT scanning, and other diagnostic services.

8.8 Diagnosis has important implications for patient care, research, and policy. Diagnosis has been described as both a process and a classification scheme. When a diagnosis is accurate and made in a timely manner, a patient has the best opportunity for a positive health outcome because clinical decision making will be tailored to a correct understanding of the patient's health problem.

8.9 The diagnostic process proceeds as follows: First, a patient experiences a health problem. The patient is likely the first person to consider his symptoms and may choose at this point to engage with the health care system. Once a patient seeks health care, there is an iterative process of information gathering, information integration and interpretation, and determining a working diagnosis. Performing a clinical history and interview, conducting a physical exam, performing diagnostic testing, and referring or consulting with other clinicians are all ways of accumulating information that may be relevant to understanding a patient's health problem.

8.10 "Bedside evaluation" skills (history, interview, and physical exam) were once the primary tools for diagnosis and clinical evaluation, but the recent explosion of imaging and laboratory testing has inverted the diagnostic paradigm. Doctors often bypass the bedside evaluation for immediate testing. This trend has resulted in more persons accessing diagnostic imaging services. Public Hospitals have limited MRI and diagnostic equipment and the overflow is directed to emerging private Diagnostic Centres.

### **Common Industry Terms**

8.11 Below is a description of various industry-specific terms used in this Prospectus.

<b>Term</b>	<b>Description/meaning</b>
Diagnostic Imaging	the imaging of internal structures of the human body using certain Imaging Modalities.
Imaging Modality	the type of equipment and technology used to conduct imaging of the internal structures of the human body for example: Ultrasound, CT Scans and X-ray.
Referrer	A medical doctor who refers patients to the Company for diagnostic services.
Radiologist	a specialist medical doctor who interprets medical images generated by various Imaging Modalities.
Technician	a certified diagnostic imaging technician who operates imaging equipment and produces

diagnostic images; for example; radiographers and sonographers.

## Services

8.12 The Company offers the following diagnostic services:

Services/Imaging Modalities	Description	Studies
MRI	Magnetic Resonance Imaging is a medical diagnostic technique that uses large magnet and radio frequency to view inside the body. MRI is a painless procedure that allows your doctor to view certain types of tissue and can provide very important information about the brain, spine, joints and internal organs. In addition, it allows your physician to early detect disease or injuries, and start treatment as soon as possible.	<ul style="list-style-type: none"><li>• Brain</li><li>• Lumbar Spine</li><li>• Cervical Spine</li><li>• Thoracic Spine</li><li>• Knee</li></ul>
CT Scan	Computed Tomography (CT), more commonly known as a CAT scan, uses special x-ray equipment to obtain information from different angles around the body. Computers are then used to process the information and create cross-sectional images that appear as "slices" of the body and organs. CT is fast, patient friendly and has the unique ability to image a combination of soft tissue, bone, and blood vessels.	<ul style="list-style-type: none"><li>• Brain</li><li>• Chest</li><li>• Abdomen</li><li>• Pelvis</li></ul>
X-Ray	An imaging technique which involves exposing a body part to a small dose of radiation to produce an image of an internal organ. An X-ray image is produced when a small amount of radiation passes through the body and strikes an image sensitive plate placed on the other side of the body. This film is then placed in a developing machine to produce images.	<ul style="list-style-type: none"><li>• Chest</li><li>• Ankle</li><li>• Knee</li><li>• Foot</li></ul>

Ultrasound	<p>Ultrasound uses high frequency sound waves to obtain images of the human body. The sound waves are transmitted, and then received through a hand-held device called a transducer. A computer converts this information into images, which the skilled sonographer can observe continuously while moving the transducer over the skin, constantly changing the point of view and adjusting technical factors to demonstrate the anatomy to best advantage. A unique feature of sonography is that it involves no exposure to x-rays, and the pictures can be seen in real time.</p>	<ul style="list-style-type: none"> <li>• Abdominal</li> <li>• Pelvic</li> <li>• Thyroid</li> <li>• Liver</li> </ul>
Fluoroscopy	<p>Fluoroscopy is the use of an x-ray system that allows the radiologist to view x-ray images on a computer monitor over time. Many types of fluoroscopic exams use different types of contrast agent that allow various organs to be watched as they function. Examples of these procedures include: barium meal, barium enema, intravenous pyelogram and HSG (hysterosalpingraphy)</p>	

8.13 The Company also provides interventional procedures. This radiology subspecialty involves the use of minimally invasive, image-guided procedures to diagnose and treat diseases and disorders, including cancer. Below is a list of interventional procedure services conducted by the Company at its Holborn Road location.

<b>Interventional Procedures</b>	<b>Description</b>	<b>Studies</b>
Angiogram	An imaging technique using X-rays, a special dye and a camera to visualize the inside of blood vessels and internal organs	<ul style="list-style-type: none"> <li>• Blood Vessels</li> <li>• Heart</li> </ul>
Port-A-Cath	A implantable venous access device that is placed under the skin (usually the chest) used to	

	draw blood and inject drugs or intravenous fluids	
Hysterosalpingogram (HSG)	An X-ray procedure used to investigate the uterus and fallopian tubes	<ul style="list-style-type: none"> <li>• Uterus</li> <li>• Fallopian Tubes</li> </ul>
Ultrasound Biopsy	A procedure in which a needle guided by ultrasound is used to remove a sample of tissue for laboratory testing.	
Arthrogram	an imaging technique using X-rays to obtain a series of images of a joint after a contrast medium has been injected into the joint	<ul style="list-style-type: none"> <li>• Ankle</li> <li>• Knee</li> <li>• Shoulder</li> </ul>

## Target Market

8.14 The Company's services are primarily utilized by individuals (patients), medical practitioners and hospitals in Kingston and Saint Andrew and surrounding Parishes.

## Competitive Environment

8.15 A number of Imaging Diagnostic service providers operate in Kingston and Saint Andrew. These providers compete with the Company for the provision of services in the Kingston and Saint Andrew market. The table below provides a brief comparison between the Company and five of its major competitors.

Service Provider	Services	Location	Opening Hours	Status
<b>Elite Diagnostic Limited</b>	<ul style="list-style-type: none"> <li>• MRI Scans</li> <li>• CT Scans</li> <li>• Ultrasound</li> <li>• X-ray</li> <li>• Fluoroscopy</li> <li>• Interventional procedures</li> </ul>	1B Holborn Road Kingston 10	Mon-Sat: 7am-7pm  Sun: 10am-2pm	Private
<b>Winchester MRI Limited</b>	<ul style="list-style-type: none"> <li>• MRI Scans</li> </ul>	3A Winchester Road Kingston 10	Mon-Fri: 7am-7pm  Sat: 8am-5pm  Sun: 9am-2pm	Private

<b>Medical MRI Services (Ja) Limited</b>	<ul style="list-style-type: none"> <li>• MRI Scans</li> <li>• MR angiography</li> <li>• Multidetector computed tomography</li> <li>• Mammography</li> <li>• Virtual colonoscopy</li> <li>• Digital X-ray</li> <li>• 3D Ultrasound</li> </ul>	30 Hope Road Kingston 10	Mon-Fri: 8am-5pm	Private
<b>UWI Mona Radiology</b>	<ul style="list-style-type: none"> <li>• MRI Scans</li> <li>• CT Scans</li> <li>• Ultrasound</li> <li>• X-ray</li> <li>• Fluoroscopy</li> <li>• Mammography</li> <li>• Vascular and Interventional Radiology</li> <li>• Biopsies and Drains</li> </ul>	University Hospital of the West Indies	Mon-Fri: 7am-5pm Sat-Sun: 8am-4pm	Public
<b>Apex Radiology</b>	<ul style="list-style-type: none"> <li>• CT Scans</li> <li>• X-ray</li> <li>• Ultrasound</li> <li>• Fluoroscopy</li> <li>• Nuclear Medicine</li> </ul>	3A Winchester Road Kingston 10	Mon-Fri: 7:30am-7pm Sat: 9am-2pm	Private
<b>X-Ray &amp; Diagnostic Ultrasound Consultants Limited</b>	<ul style="list-style-type: none"> <li>• CT Scans</li> <li>• X-ray</li> <li>• Ultrasound</li> <li>• Nuclear Medicine</li> </ul>	1 Ripon Road Kingston	Mon-Fri: 8:30am-5pm	Private

*\*The information provided in this table may not be complete, accurate or up-to-date as service providers may have added or withdrawn services since the list was compiled.*

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## **9. THE COMPANY**

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### **Company History**

9.1 The Company commenced operations in August, 2013 at its Holborn Road location with the objective of providing diagnostic imaging services to patients in Jamaica. Elite, on opening, targeted growth based on the overcrowded and under-equipped government-backed health facilities. Elite is controlled by a group of private partners through a vehicle called Excel Investments Inc. Elite was launched with equity participation from NCB Capital Markets Limited, Sagicor Investments Jamaica Limited and Barnett Limited. The Company's business has expanded over the years and on November 1, 2017 it opened a new branch at 164½ Old Hope Road.

### **Corporate Information & Capital Structure**

9.2 The Company was incorporated with the name Elite Diagnostic Limited on February 28, 2012 (Company #83519) under the Jamaican Companies Act, 2004 as a private company limited by shares. At incorporation its share capital was 1,000 ordinary shares. Warren Chung was appointed its first director on incorporation. The Company has no subsidiaries.

9.3 The Registered Office of the Company is located at 1B Holborn Road, Kingston 5.

### **Resolutions Passed**

9.4 The Company has since incorporation adopted the following resolutions:

- (i) On May 11, 2012 the Company increased its authorized share capital from 1,000 Ordinary Share to 20,000 Ordinary Shares by the creation of an additional 19,000 Ordinary Shares.
- (ii) On May 1, 2013 the Company's authorized share capital was further increased from 20,000 Ordinary Shares to 3,000,000 Ordinary Shares by the creation of an additional 2,980,000 Ordinary Shares.
- (iii) On December 12, 2013 the Company's authorized share capital was increased from 3,000,000 Ordinary Shares to 3,040,000 Ordinary Shares by the creation of an additional 40,000 Ordinary Shares.
- (iv) On July 23, 2013 the Company adopted amended Articles of Incorporation which increased the maximum number of directors of the Company from seven (7) to fifteen (15). This was in contemplation of the investment to be made in the Company by NCBCM, Sagicor Investment Jamaica Limited and Barnett Limited.

9.5 The following persons were appointed additional directors of the Company on the dates set out under column 2 and vacated office on the dates set out under column 3 opposite their respective names, namely:

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<b>Name</b>	<b>Date of Appointment</b>	<b>Date Vacated Office</b>
Winston Dyke	July 25, 2013	October 11, 2017
Dr. Cecil Batchelor	July 25, 2013	October 31, 2017
Dr. Neil Fong	July 25, 2013	current
Steven Gooden	July 25, 2013	current
Andre Ho Lung	July 25, 2013	current
Paula Kerr-Jarrett	July 25, 2013	current
Quentin Hugh Sam	July 25, 2013	current
Richard Chin	July 25, 2013	October 11, 2017
Sabrina Cooper	July 25, 2013	February 26, 2016
Judith Hanson	July 25, 2013	May 15, 2014
John Mitchion Bell	July 25, 2013	May 15, 2014
Jermaine Deans	February 26, 2015	December 31, 2015
Dr. Christopher Tufton	February 26, 2015	May 12, 2016
Kevin Donaldson	May 12, 2016	current
Peter D. Chin	November 11, 2017	current
William Mahfood	November 11, 2017	current

9.6 In contemplation of this IPO the Company on November 11, 2017 adopted the following resolutions; namely:

- a. a special resolution to convert the Company from a private company to a public company and adopting a new set of Articles of Incorporation to conform with its status as a public company and with the Rules prescribed by the JSE for listed companies;

- b. an ordinary resolution providing that the maximum number of shares the Company is authorized to issue is unlimited;
- c. an ordinary resolution pursuant to which each of the issued ordinary shares in the capital of the Company was subdivided into 93 ordinary shares;
- d. an ordinary resolution providing for the conversion of all Company's issued ordinary Shares into stock units.

Issued Share Capital

9.7 As a result of the sub-division of Shares referred to above, as at December 6, 2017 the shareholders of the Company and their relative shareholdings are as follows:

<b>Shareholders</b>	<b>Shareholding (Ordinary Shares)</b>	<b>Approx. % Issued Capital</b>
Excel Investments Inc.	145,140,264	51.34%
NCB Capital Markets Limited	83,713,392	29.61%
Sagicor Investments Jamaica Limited	27,904,464	9.87%
Barnett Limited	22,165,248	7.84%
Lizette Mowatt	3,703,632	1.31%
Warren Chung	93,000	0.03%
<b>Total Issued Share Capital</b>	<b>282,720,000</b>	<b>100%</b>

## Business

9.8 The Company currently provides diagnostic Imaging Services to patients at its offices on Holborn Road and Old Hope Road. The table below sets out an overview of Elite's medical and imaging equipment at both locations as at December 6, 2017.

Resources	Total		
<b>Locations</b>	164½ Old Hope Road	1B Holborn Road	2
<b>MRI Machines</b>	1*	1	2
<b>CT Scan Machines</b>	-	1	1
<b>X-Ray Machines</b>	-	1	1
<b>Ultrasound Machines</b>	1	1	2
<b>C-Arm Machine</b>	1	-	1
<b>Radiologists</b>	1	5	6
<b>Technicians</b>	1	4	5
<b>Other Employees</b>	4	17	21

\* not yet installed.

## Radiologists

9.9 Dr. Kevin Palmer and West Indies Radiology Outsourcing Limited (WIROL) provide radiology services to the Company. The Company's technicians produce imaging data, using the Company's diagnostic imaging equipment, which are then interpreted by Dr. Palmer or WIROL's team of Radiologists.

- (a) Dr. Palmer is a Consultant Radiologist and currently provides his services to the Company and Medical Associates Hospital. He holds B.Med. Sci. M.B.B.S. and a D.M. (Radiology) degrees from the University of the West Indies.
- (b) WIROL's team of Radiologist includes:

Name	Qualifications
<b>Dr. Sundeep Shah</b>	<ul style="list-style-type: none"> <li>M.B.,B.S. – University of the West Indies</li> <li>E.C.F.M.G – USA</li> <li>D.M. (Radiology) – University of the West Indies</li> </ul>

	Indies <ul style="list-style-type: none"> <li>• F.R.C.R – Royal College of Radiologists (UK)</li> </ul>
<b>Dr. Peter Johnson</b>	<ul style="list-style-type: none"> <li>• M.B.,B.S. – University of the West Indies</li> <li>• D.M. (Radiology) – University of the West Indies</li> <li>• F.R.C.R – Royal College of Radiologists (UK)</li> </ul>
<b>Dr. Donald Ellis</b>	<ul style="list-style-type: none"> <li>• M.B.B.S.- University of the West Indies</li> <li>• D.M. (Radiology) – University of the West Indies</li> </ul>
<b>Dr. Mellanie-Anne Renee Didier</b>	<ul style="list-style-type: none"> <li>• M.B.,B.S. – University of the West Indies</li> <li>• D.M. (Radiology) – University of the West Indies</li> </ul>

### **Material Indebtedness**

9.10 As of December 6, 2017 the material indebtedness of the Company is as follows:

<b>Financial Institution</b>	<b>Type Facility</b>	<b>Secured/ Unsecured</b>	<b>Amount Owing (J\$)</b>
National Commercial Bank Jamaica Limited	Amortizing Term Loan	Secured	30,985,897.00
National Commercial Bank Jamaica Limited	Amortizing Term Loan and Unsecured Business Edge Card	Secured	89,681,409.00
Sagicor Bank Jamaica Limited	DBJ Funded Amortizing Loan	Secured	5,066,652.00
General Electric Company	Vendor Financing	Secured	76,375,000.00
<b>TOTAL</b>			<b>202,108,958.00</b>

### **Intellectual and Real Property**

9.11 As at December 6, 2017 being the latest practicable date prior to the publication of this Prospectus, the Company owns no intellectual or real property.

## **Insurance Policies**

9.12 The Company maintains the following insurances:

- (i) Low Voltage & Equipment All Risks insurance on certain diagnostic machinery and equipment located at the Company's Holborn Road and Old Hope Road offices;
- (ii) Commercial All Risks and Public Liability insurance to cover loss or damage to the Company's leasehold improvements, furniture, fixtures & fittings and its 42kw Solar-Grid-Tied Solar System, situate at its Holborn Road office, occurring due to fire and customary perils such as earthquake, hurricane, flood, civil commotion and strike; and
- (iii) public liability insurance to cover any legal liability to third parties in respect of death, bodily injury or property damage arising out of the operation of the Company's business at its Holborn Road and Old Hope Road offices. The limits of indemnity under this policy is fixed at J\$20,000,000 for any one incident and J\$20,000,000 for the policy period.

9.13 All Radiologists who perform services for the Company, whether directly or indirectly through WIROL, carry their own medical malpractice insurance.

## **Acquisition of Equipment**

9.14 Pursuant to an International Financed Sales Agreement dated October 3, 2017 ("the Financed Sales Agreement"), the Company has purchased a 3T MRI scanner from General Electric Company for US\$1,175,000. Elite paid half of the purchase price (US\$587,500) and secured vendor financing from GE for the remaining half ("the Financed Amount"). The Financed Amount is payable in twenty (20) equal quarterly installments. Interest is payable on the Financed Amount in twenty (20) quarterly installments at a minimum rate of 8.50% per annum. This minimum rate is subject to subsequent adjustment by the vendor such that the effective and final interest rate calculated on the Financed Amount will be 8.50% plus the positive variation between the Swap Rate of August 18, 2017 and the Swap Rate as of the date the scanner is delivered to Elite.

The Financed Sales Agreement defines "Swap Rate" to mean "*the interest rate for swaps that most closely approximates the initial term of the loan as published by the Intercontinental Exchange (NYSE: ICE) in its Ice Benchmark Administration Report entitled "ICE Swap Rate Historical Rates" currently available online at <https://www.theice.com/marketdata/reports/180> and determined by GEHFS by clicking on the USD Rates 1100 in the Series/Run drop down box for the Report Date selected by GEHFS, or as published by such other nationally recognized reporting source or publication as GEHFS may specify".*

## **Applicable Regulatory Regime**

9.15 The Nuclear Safety & Radiation Protection Act, 2015 regulates the ownership and operation of ionizing radiation equipment such as the Company's X-Ray machines. The Act prohibits persons from owning or operating such equipment unless authorized by the Hazardous Substances Regulatory Authority. The Act also empowers the Authority to make guidelines for the protection of patients and workers exposed to ionizing radiation and the design and performance criteria for ionizing radiation equipment. The Company understands that the Authority is not fully operational at this time.

9.16 Medical devices, such as diagnostic equipment, imported for use by the Company must conform to the requirements of the Food and Drug Act.

9.17 The Company has obtained a letter from the Government's Medical Physicist stating that the safety and performance of its MRI, CT and X-ray units installed at its Holborn Road location have satisfied the necessary clinical requirements for the practice of diagnostic radiology.

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## **10. MANAGEMENT DISCUSSION & ANALYSIS (INCLUDING FINANCIAL PROJECTIONS)**

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### **General Overview**

10.1 Elite was established with the vision of providing high-quality professional medical diagnostic services at a cost-effective price point. The principal promoters are a businessman (Warren Chung) and a medical doctor (Dr. Neil Fong). This symbiotic combination is reflective of the Company's business strategy - to combine strategic business principles with the provision of advanced medical diagnostic services.

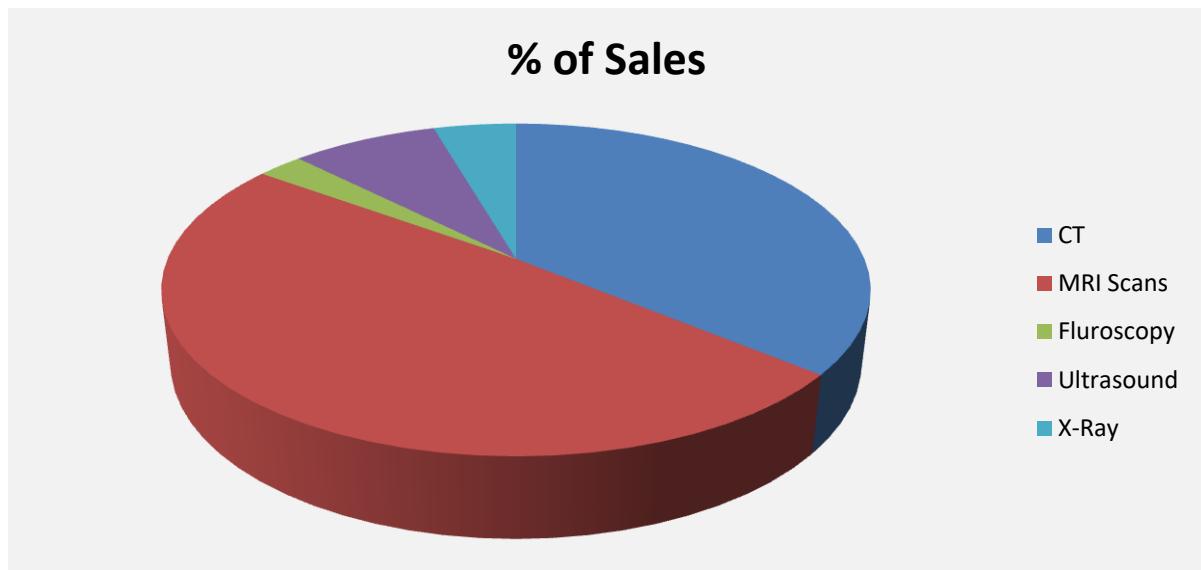
10.2 From the business point, Warren focuses on promoting and developing the business; ensuring that there is adequate administrative support and information technology to facilitate the cost-effective delivery of the service. Dr. Fong ensures that the Company delivers a consistently high standard of medical diagnostic services using well-trained and experienced specialists working with the latest technology.

10.3 An important element of Elite's strategy is to focus on partnering with its service providers. This will be pursued by a policy of ensuring that professional service partners are economically aligned with the Company's business. For this reason the Company will, in the IPO, reserve shares for its key services providers and employees.

### **Financial Performance**

10.4 The Company has been in operation for four (4) years. In the first year (2014) it made a loss, as anticipated, of J\$48,683,354 on revenues of J\$58,335,535. The following year (2015) revenues increased by approximately 127% and it recorded a modest net profit of J\$498,079. Its growth trajectory has continued since then and for the financial year ended June 30, 2017 its gross revenues had increased to J\$263,096,181 and net profits had moved to J\$44,205,417 which, together with net profits of J\$28,827,629 recorded in 2016, completely reversed the deficit incurred in the first year of operation. In the next few years the Company expects that it will continue to grow. Elite grew its revenue/profit year over year through its use of state of the art equipment, continued improvement in patient care and customer service and the marketing of its services at medical conferences and through print and social media.

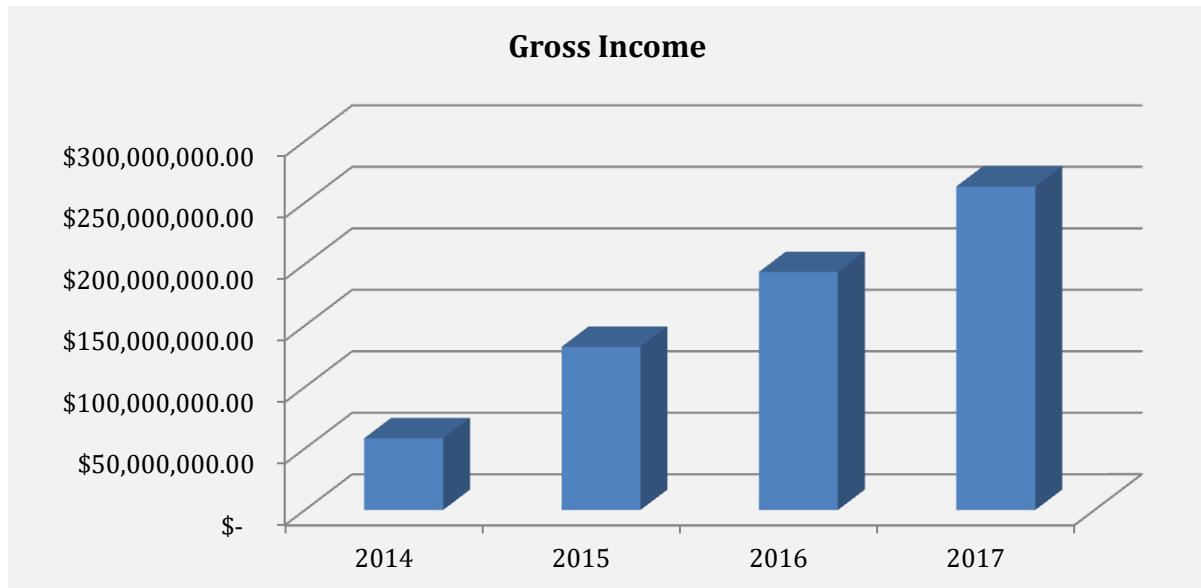
10.5 The diagnostic imaging services provided by the Company accounts for 100% of the Company's sales which, for the period July 1, 2016 to June 30, 2017, are made up as follows:



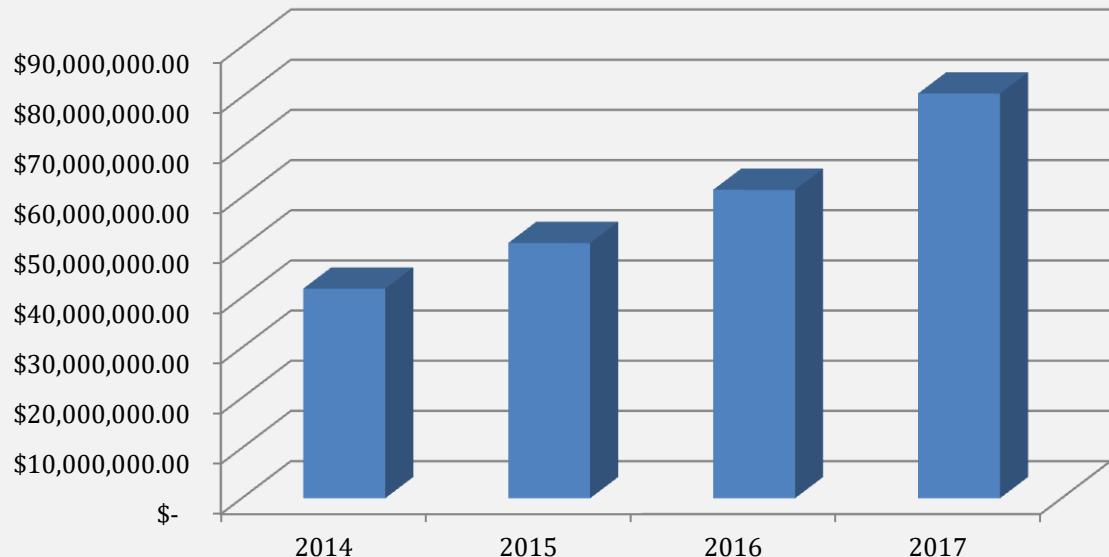
10.6 In 2017, it incurred the capital cost of establishing a new office at 164½ Old Hope Road. That office opened on November 1, 2017 and is expected to generate additional income for the benefit of the Company commencing with the 2017/2018 financial year.

10.7 The proceeds of the IPO will put the Company in a position to repay a substantial part of the debt incurred in financing the capital cost of expanding and equipping the business. After the Old Hope Road branch, as a business unit, demonstrates its profitability and is running smoothly, the Company will consider the prospects of expanding into other markets in Jamaica.

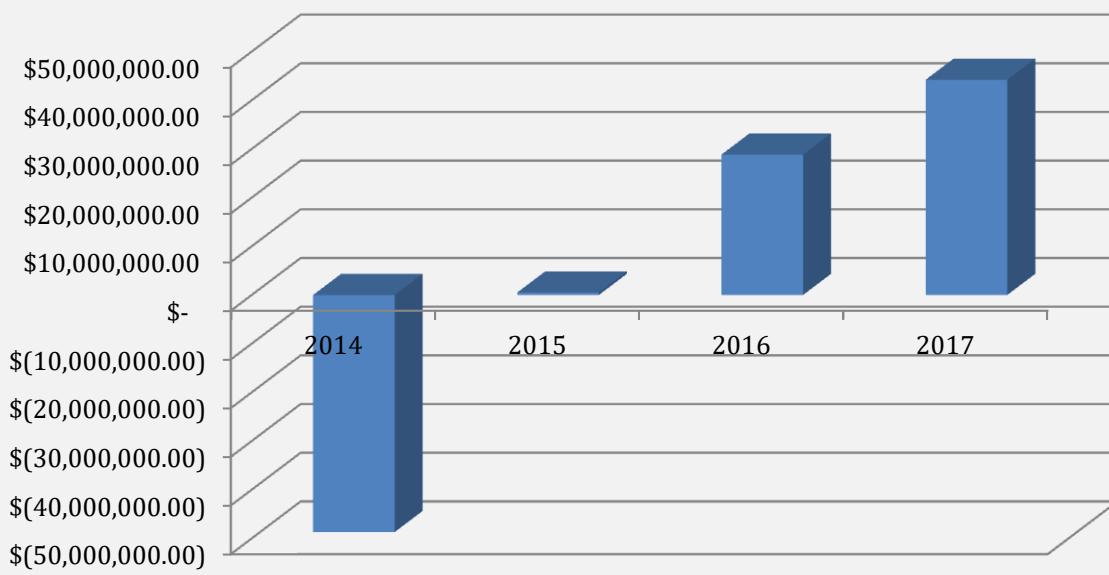
10.8 The four (4) charts shown below depicts the Company's (i) gross income, (ii) administrative expenses; (iii) net profits after tax; and (iv) shareholders' equity over the four (4) years of the life of the Company.

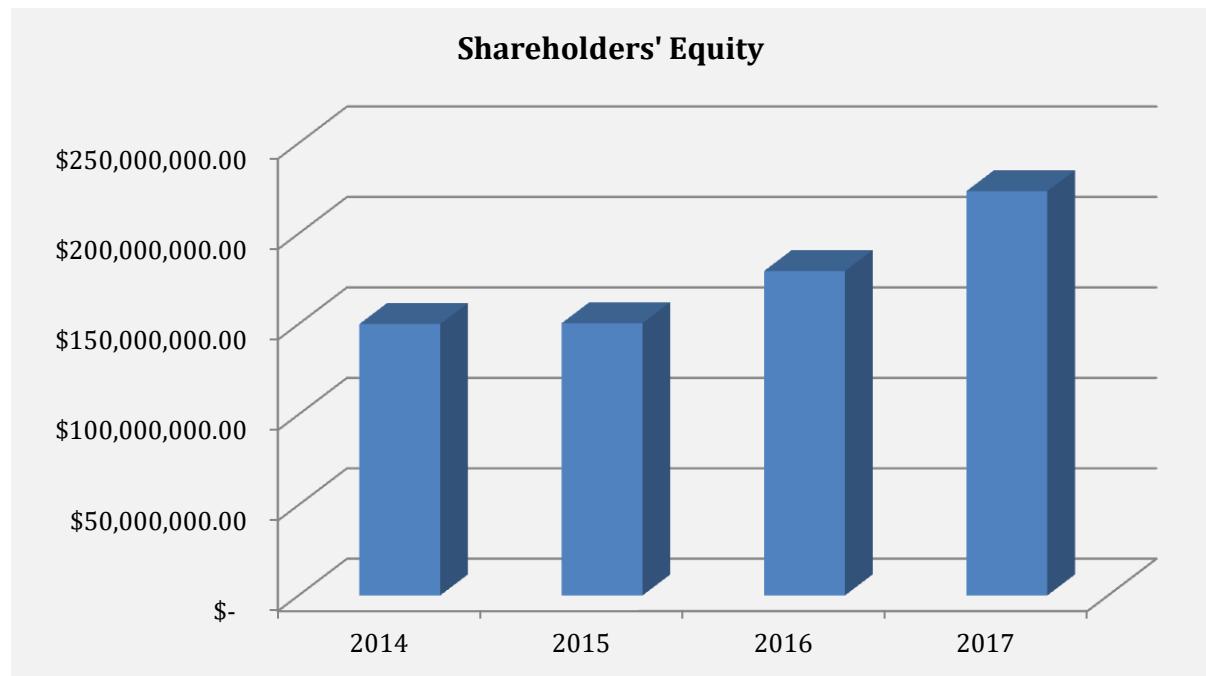


### **Administrative Expenses**



### **Net Profits After Tax**





### **Interim Financial Statements for Quarter ended September 30, 2017**

#### **10.9 Profit and Loss**

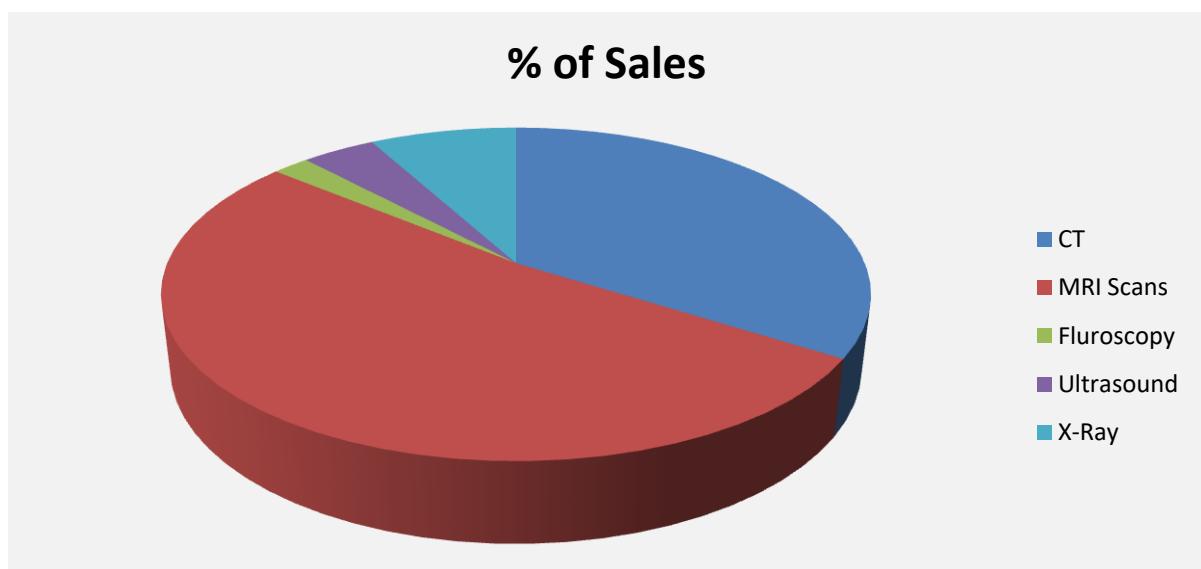
<b>Elite Diagnostic Limited Unaudited Statement of Profit and Loss Period ended September 30, 2017</b>	<b>Unaudited September 30, 2017 (J\$)</b>	<b>Unaudited September 30, 2016 (J\$)</b>	<b>Year ended June 30, 2017 (J\$)</b>	<b>Year ended June 30, 2016 (J\$)</b>
Revenues	69,814,899	56,881,651	263,096,181	193,542,637
Less: Cost of Sales	(21,732,130)	(20,451,471)	(87,406,891)	(71,618,324)
Gross Profit	<b>48,082,769</b>	<b>36,430,180</b>	<b>175,689,290</b>	<b>121,924,313</b>
Administrative Expenses	(20,892,159)	(19,513,264)	(80,658,160)	(61,466,968)
Depreciation	(8,755,822)	(6,912,977)	(28,023,291)	(26,944,494)
Finance Costs	(3,081,964)	(2,553,738)	(8,040,020)	(10,326,034)
Net Other (Expense)/ Income	<b>*(1,044,518)</b>	-	<b>588,525</b>	<b>6,843</b>
Net Profit before tax	<b>14,308,306</b>	<b>7,450,201</b>	<b>59,556,344</b>	<b>23,193,660</b>
Provision for tax	(3,578,000)	(1,863,000)	(15,350,927)	5,633,969
Net Profit after tax	<b>10,730,306</b>	<b>5,587,201</b>	<b>44,205,417</b>	<b>28,827,629</b>

*\*The Net Other (Expense)/Income of J\$1,044,518 for the first quarter ended September 30, 2017 is not a reoccurring expense but a one-off shipping expense.*

10.10 The Company's profit and loss for the period ended September 30, 2017, as well as for the comparative period ended September 30, 2016, is set out above. For the first quarter ended September 30, 2017, the Company's unaudited trading results showed net profit before tax of J\$14,308,306 on revenues of J\$69,814,899. Although the Directors expect the Company's financial performance to continue to improve, no guarantee or assurance is given in that regard and such performance may be affected by numerous risks including those identified under section 7 (Risk Factors).

10.11 The increase in revenues between the first quarter ended September 30, 2017 and the comparative period ended September 30, 2016 is attributed to the general growth of the Company's business. The Company believes that this growth is a direct result of continued marketing and promotion of its services.

10.12 The diagram below sets out the make-up of the Company's sales for the financial quarter ended September 30, 2017.



### 10.13 Financial Position

<b>Elite Diagnostic Limited Statement of Financial Position</b>	<b>Unaudited September 2017 J\$</b>	<b>Unaudited September 2016 J\$</b>	<b>Year ended 30 June 2017 J\$</b>	<b>Year ended 30 June 2016 J\$</b>
<b>Non-Current Assets</b>				
Fixed assets	245,923,987	186,276,617	187,897,748	185,365,707
Deferred tax asset	-	-	-	10,494,074
	<b>245,923,987</b>	<b>186,276,617</b>	<b>187,897,748</b>	<b>195,859,781</b>
<b>Current Assets</b>				
Cash and bank balances	109,697,258	64,636,707	76,303,124	57,049,909
Receivables	4,826,929	4,060,400	6,097,024	7,087,097
Other Current Assets	5,454,819	5,670,984	734,902	734,902
	<b>119,979,006</b>	<b>74,368,091</b>	<b>83,135,050</b>	<b>64,871,908</b>
<b>Total Assets</b>	<b>365,902,993</b>	<b>260,644,708</b>	<b>271,032,798</b>	<b>260,731,689</b>
<b>Shareholders' Equity</b>				
Share Capital	217,848,063	217,848,063	217,848,063	217,848,063
Opening Retained Earnings	5,679,931	(38,525,486)	(38,525,486)	(67,353,115)
Net Profit for period/year	10,730,306	5,587,201	44,205,417	28,827,629
Closing Retained Earnings	16,410,237	(32,938,285)	5,679,931	(38,525,486)
	<b>234,258,300</b>	<b>184,909,778</b>	<b>223,527,994</b>	<b>179,322,577</b>
<b>Current Liabilities</b>				
Trade & other payables	4,250,881	13,834,953	3,500,816	13,324,910
	<b>4,250,881</b>	<b>13,834,953</b>	<b>3,500,816</b>	<b>13,324,910</b>
<b>Long term Liabilities</b>				
Net tax liabilities	13,033,019	1,862,999	9,455,019	-
Loans	114,360,793	60,036,978	34,548,969	68,084,202
	<b>127,393,812</b>	<b>61,899,977</b>	<b>44,003,988</b>	<b>68,084,202</b>
<b>Total Liabilities</b>	<b>131,644,693</b>	<b>75,734,930</b>	<b>47,504,804</b>	<b>81,409,112</b>
<b>Total Equity and Liabilities</b>	<b>365,902,993</b>	<b>260,644,708</b>	<b>271,032,798</b>	<b>260,731,689</b>

10.14 The Company's Total Assets increased by 40% when compared to the first quarter of 2016. This increase was due to the acquisition of diagnostic equipment and

leasehold improvements made to the Company's new offices on Old Hope Road. The acquisitions and improvements were made using part of the proceeds of a \$90 million loan from National Commercial Bank Jamaica Limited.

### **10.15 Cash Flow**

<b>Elite Diagnostic Limited Unaudited Statement of Cash Flows</b>	<b>Unaudited September 2017 J\$</b>	<b>Unaudited September 2016 J\$</b>	<b>Year ended June 2017 J\$</b>	<b>Year ended June 2016 J\$</b>
<b>Cash flows from operating activities</b>				
Net profit after tax	10,730,306	5,587,201	44,205,417	28,827,629
Adjustments for:				
Depreciation	8,755,822	6,912,977	28,023,291	26,944,494
(Increase)/decrease in receivables & other current assets	(3,449,822)	(1,909,385)	990,073	1,740,869
Increase/(decrease) in liabilities & tax	4,328,065	12,867,116	10,124,999	(7,466,091)
<b>Net cash provided by operations</b>	<b>20,364,371</b>	<b>23,457,909</b>	<b>83,343,780</b>	<b>50,046,901</b>
<b>Cash flows from investing activities</b>				
Property, plant and equipment	(66,782,061)	(7,823,887)	(30,555,332)	(11,820,825)
Net proceeds from short-term loan	-	-	-	(2,393,569)
Certificate of deposit	-	-	-	2,300,000
<b>Cash flows from financing activities</b>				
Net increase/(repayment) of long-term loans	79,811,824	(8,047,224)	(33,535,233)	(2,217,111)
<b>Net increase in cash and cash equivalents</b>	<b>33,394,134</b>	<b>7,586,798</b>	<b>19,253,215</b>	<b>35,915,396</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>76,303,124</b>	<b>57,049,909</b>	<b>57,049,909</b>	<b>21,134,513</b>
<b>Cash at end of period</b>	<b>109,697,258</b>	<b>64,636,707</b>	<b>76,303,124</b>	<b>57,049,909</b>

10.16 The increase in the Company's cash flow for the quarter ended September 30, 2017 reflect the infusion of a J\$90 million dollar loan from National Commercial Bank Jamaica Limited and accumulation of cash during the course of business.

## **Management Outlook**

10.17 Elite Diagnostic operates a full service diagnostic centre at 1B Holborn Road and recently opened another centre at 164½ Old Hope Road. A 3T MRI machine has been acquired for the Old Hope Road Centre but is not yet installed. The Company hopes to benefit from the growing demand for medical imaging services. The Company's business strategy is to provide high quality medical imaging services at competitive prices using state of the art equipment and a cadre of highly trained radiologists and technicians. The Company focuses on the continuous training of employees to achieve ongoing improvements in its service standards and quality control procedures under the oversight of a highly motivated management team.

10.18 With the increasing demand for medical imaging services from the private and public hospitals, and the limitations in the offerings at public facilities, coupled with long wait time, persons are choosing to utilize the services of private facilities. In this regard, Elite Diagnostic expects to show positive growth and to expand on its range of services by aggressively marketing through continued participations in medical conferences hosted by the Jamaica Medical Association, maintaining a strong presence on social media and print advertisement platforms.

10.19 The Company believes that its principal competitive advantage lies in using state of the art diagnostic equipment. It 64-Slice or Multi-Slice CT Scanner is one example. It produces clearer images compared to older models by allowing technicians and radiologist to acquire thinner slices and 3D images at lower doses of radiation leading to a more detailed view of the patients' anatomy. This leads to faster and more accurate diagnosis.

10.20 The Company has recently acquired a 3 Tesla (3T) MRI scanner - to the Company's knowledge only one of two in the Caribbean, the other being located in the Cayman Islands. The strength of the magnetic field generated by a 3T MRI scanner is twice that of the current industry standard 1.5T MRI scanners. The image quality of an MRI scanner is generally dependent on the strength of the magnetic field it is able to generate, the higher the magnetic field the better the image clarity. This increased image clarity aids Radiologists in their interpretations of diagnostic images. In certain circumstances the more powerful scanner is also capable of reducing scan times thereby reducing patient turnaround time.

10.21 Elite has recently expanded its service offerings to include the following radiology interventional procedures:

<b>Procedures</b>	
• Antegrade ureteric stent: bilateral	• Lower limb angiogram: single
• Antegrade ureteric stent: single	• Lumbar puncture: CSF drainage
• Biliary stent placement	• Lumbar puncture: simple
• Central line insertion	• Nephrostomy: bilateral
• Colonic stent placement	• Nephrostomy: single
• Diagnostic Cerebral angiogram: 1 vessel	• Other intra-abdominal collection drainage
• Diagnostic Cerebral angiogram: 2 vessel	• Peritoneal tap
• Diagnostic Cerebral angiogram: 4 vessel	• Perm catheter insertion
• Embolization for epistaxis	• PICC line insertion
• Endovascular angioplasty	• Pleural tap
• Endovascular coil embolization cerebral aneurysm	• Port catheter insertion
• Endovascular coil embolization non-cerebral vessel	• Renal angiogram: 2 vessel
• Endovascular stent	• Renal angiogram: single vessel
• Endovascular tumor embolization: extra-cranial	• Selective salpingography and tubal recanalization
• Endovascular tumor embolization: intra-cranial	• Superficial biopsy
• External biliary drainage	• Superficial organ fine needle aspiration
• Fine needle aspiration pancreas	• Temp catheter insertion
• Insertion of internal-external	• Visceral angiogram: 2 vessel

biliary drain

- Intra-abdominal liver biopsy
- Visceral angiogram: single vessel
- Liver abscess drainage

Radiology interventional procedures is a sub-specialty of radiology in which the specialist radiologist uses imaging techniques such as CT scan, C-Arm and ultrasound for guidance to access specific areas of the through blood vessels to deliver treatment. The Company is now only providing basic services in this area which does not require hospitalization.

10.22 The Company accepts Sagicor and Medecus Health cards. Other methods of payment include cash, credit cards and pre-authorized cheques. The Company grants a 10% discount to senior citizens (persons over 65 years old) and a 20% discount to patients of Government-operated hospitals. Doctors may also be granted discount at management's discretion.

10.23 The Company uses technology to manage its customer relationship from the point of entry to payment and beyond. For the convenience of referring physicians reports are either hand delivered in hard copy or CD format or can be accessed through a doctor's portal

10.24 The Company has established policies and procedures to ensure that patients are treated in a considerate, respectful and compassionate manner. The patient's right to privacy and confidentiality is given high priority and staff policies emphasize adherence to high ethical standards in the maintenance of medical records and dealings with the patients' affairs. The Company maintains close contact with referring physicians to ensure that their service expectations are met. To that end regular surveys and interviews are conducted among referring physicians inform the Company to of their satisfaction level and to identify any emerging service issues.

10.25 The Company's outlook is expected to be positive. This expectation is based on the Company's investments in new services, equipment and infrastructure and the intended use of the IPO proceeds to retire certain existing debts.

10.26 Elite expects to benefit from the recent addition of interventional radiology procedures to its service offerings. In the Company's estimation, the demand for such services is on the rise and the associated costs are typically competitive in Jamaica when compared with other countries in the Americas. The Company expects that these two factors will help drive demand for its services.

10.27 Elite also believes that the acquisition of a 3T MRI scanner will have a positive impact on the Company's revenues. The 3T MRI scanner will enable the Company to command a higher price for MRI scans and in some cases reduce the Company's patient turnover rate. The Company also anticipates that there will be increased demand for MRI images from medical doctors, in particular orthopedic surgeons and

neurosurgeons, owing to the improved image resolution of the 3T MRI scanner over the conventional 1.5T scanners.

10.28 The use of the IPO proceeds to retire some of the Company's existing debt will reduce interest expense and thereby improve profits.

10.29 Elite Diagnostic envisages that over time it will, subject to careful market studies, expand its services to the rural areas.

10.30 Given the foregoing, the management of Elite expects that the Company's performance will continue to improve.

## **11. MANAGEMENT, ADMINISTRATION & CORPORATE GOVERNANCE**

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### **Board of Directors of the Company**

11.1 The Articles of Incorporation of the Company provides for a Board of Directors of no more than fifteen (15) persons. The current Board comprises nine (9) Directors. The Board of Directors is responsible for: (i) the strategic direction of the Company which involves setting its business objectives and plans for achieving them; (ii) execution of the approved business objectives through adequate management and control of the Company's resources; (iii) monitoring compliance with all applicable legal and regulatory regimes; (iv) identifying and managing risks facing the Company; and (v) due and proper accounting to all stakeholders of the Company including in particular, the stockholders.

11.2 After completion of the IPO and assuming that the Company is listed on the Junior Market the Board reserves the right to appoint additional directors to the Board from among the new investors. At the first annual general meeting of the Company after the IPO such new director, if appointed would vacate office automatically but would be eligible to offer himself for re-election. At that annual general meeting and every other annual general meeting thereafter the stockholders will have an opportunity to vote for the election of one-third of the directors to the Board.

11.3 Brief Particulars of the current Directors are set out below.

**Steven Gooden, B.Sc.,  
M.Sc., C.F.A.**

Non-executive Director  
and Chairman

*(appointed July 25, 2013)*

Steven Gooden is the Chief Executive Officer of NCB Capital Markets Limited, which under his leadership has expanded into the southern and eastern Caribbean via the establishment of hubs in the Cayman Islands, Trinidad & Tobago and Barbados.

Steven's ascension to executive management was at 26 years old when he was appointed General Manager for one of Jamaica's leading fund management companies. In 2009, he rejoined NCB Capital Markets as Vice President, Investments and Trading where he successfully integrated the investment management functions of the Group's subsidiaries with combined assets exceeding US\$2billion.

Steven is a holder of the Chartered Financial Analyst (CFA) designation, has a Master's Degree in Finance and Economics and a Bachelor's degree in Economics and Accounting. He has also participated in executive development courses at Chicago Booth and Wharton Business schools covering strategy, change leadership

and mergers & acquisitions.

Steven sits on the board of directors of several companies within the NCB Group, the Jamaica Stock Exchange Limited and the Caribbean Mezzanine Fund Limited. Additionally, he is the Chairman of NCB Global Finance Ltd and NCB Capital Markets (Barbados) Limited as well as President of the Jamaica Securities Dealers Association.

**Warren Chung, B.Sc.**

President and CEO

*(appointed February 28, 2012)*

Warren Chung has 5 years experience in the medical imaging business. He has overseen the growth of the Company since its inception. He has a Bachelors Degree in Business Management from Florida International University. Warren is part owner of Majesty Foods, Inc., a USDA, HACCP and SQF food manufacturing company in South Florida and was the Managing Director of the company from 1997-2011.

**Dr. Neil Fong, B.Sc., M.B.B.S.**

COO, Company Secretary and Medical Director

*(appointed July 25, 2013)*

Dr. Neil Fong has 9 years experience in the medical imaging field. He has a B.Sc. in Chemistry from Florida International University and a medical degree, M.B.B.S. (1999) from the University of the West Indies. He is also Director of PDT Foods Ltd. He has been with Elite Diagnostic since its inception.

**Andre Ho Lung, F.C.C.A., M.Sc. (Acct.)**

Non-executive Director

*(appointed July 25, 2013)*

Andre Ho Lung is the Senior Assistant General Manager – Finance at NCB and primarily leads the finance and accounting functions for the five largest subsidiaries of the NCB Group of companies as well as the NCBJ Group's Investment Accounting function.

He has seventeen years' experience in managing the finance units of various financial services companies, including Life Insurance, Securities Dealership and General Insurance in two of the largest banking groups in Jamaica. Prior to specialising in financial services he spent seven years in Audit and Advisory services with PricewaterhouseCoopers.

Mr. Ho Lung is a Fellow of the Association of Chartered Certified Accountants ("ACCA") and holds a Master's Degree in Accounting from the University of the West Indies.

**Kevin Donaldson**, B.Sc.,  
M.B.A.  
Non-executive Director

*(appointed May 12,  
2016)*

Kevin joined Sagicor Investments in 2016 and has oversight of the Fund Management and the Capital Markets Division where he manages over US\$600 million in assets. He has over 15 years' experience in the financial industry, spanning several areas of the industry at both the local and international level. Previous to joining Sagicor Investments, Kevin was involved in the fund raising and strategic activities of the GraceKennedy Group. Kevin has a M.B.A. in Banking and Finance from Mona School of Business, a B.Sc. in Economics from the University of the West Indies and a Certification in Risk and Reinsurance from the Insurance College of Jamaica.

**Paula Kerr-Jarrett**,  
B.A., LL.M.

Non-executive Director

*(appointed July 25, 2013)*

Paula attended the University of London (SOAS & UCL) where she gained both her B.A. and LL.M degrees. She attended the Norman Manley Law School where she qualified as an Attorney-at-Law.

She is a Director of the Barnett Group of Companies. She has also served as a Director on the boards of the TEF and JAMPRO and is currently a Director on the Branson Centre for Entrepreneurship Board (Founding Member); We Care for Cornwall Regional (Non-Profit group assisting Cornwall Regional Hospital with funding); Ambassador for the UWI (Western Campus) and Council Member of the Economic Growth Council (EGC).

In addition to her community work, Paula works along with her husband Mark Kerr-Jarrett in the management of their family business, Barnett Estates. She also has direct oversight of that company's investments and the business development strategy of the Barnett group, in particular. Most recently she spear-headed the development of the Barnett Tech Park.

**Quentin Hugh Sam**,  
B.Sc.

Non-executive Director

*(appointed July 25, 2013)*

Quentin Hugh Sam is an experienced entrepreneur with over 30 years in the business community in Canada and Jamaica. He is a graduate of the University of Miami in Accounting. Quentin is currently a Director of Clean Chem Limited. Over the years he has invested in several successful business ventures. He has been on the Board of Directors of Elite since 2013.

**Peter D. Chin, B.Sc.,  
M.B.A.**

Non-executive Director

*(appointed November 11,  
2017)*

Peter D. Chin has over twenty years experience in the fields of investment and financial management, commercial lending and project finance, providing services to major institutions such as Grace Kennedy & Co. Limited, IBM and Issa Trust and Merchant Bank Limited.

He has a B.Sc. in Management Studies from the University of the West Indies and an M.B.A. from George Washington University.

He is President of Alliance Investment Management Limited, an investment management company and licensed securities dealer, Alliance Financial Services Limited and Alliance Finance Limited; former Independent Director and Chairman of the Audit Committee, Supreme Ventures Limited; Independent Director and Chairman, Compensation Committee, AMG Packaging and Paper Company Limited.

Mr. Chin is also President of the Jamaica Golf Association, Past President of the Munro Old Boys' Association and the Jamaica Securities Dealers Association.

**William Mahfood, B.Sc.**

Non-executive Director

*(appointed November 11,  
2017)*

William Mahfood is Chairman of Wisync Group Limited, a Jamaican company involved in the manufacture, distribution and retail of beverages, quick service restaurants and consumer products. William's career began as a warehouse supervisor at Wisync Trading. This followed with a 20-year stint as the company's Managing Director then as Chairman of Wisync Group Limited in 2014. During his time at Wisync, he and his team launched a number of beverage products such as WATA, CRAN-WATA, BIGGA and BOOM. These combined with many other brands that the company holds makes Wisync one of the largest beverage companies in Jamaica today.

William has served on teams in support of national interests, these include The Shaggy Foundation, Food for the Poor, Violence Prevention Alliance, Laws Street Trade Training Centre, Crime Stop, the Electricity Sector Enterprise Team, and was appointed President of the Private Sector Organization of Jamaica (2014-2016). He has also served on numerous boards including Jamaica National Building Society (now JN Bank Limited) amongst others.

In 2011, William received an honorary doctor of public service degree from Northern Caribbean University and in 2016 he was awarded the American Chamber of Commerce Business and Civic Leadership Awards for Excellence - President's Award for his contribution to national development and Brand Jamaica. Most recently, William was awarded the American Friends of Jamaica 2017 International Humanitarian Award in recognition of his contribution to the improvement of the lives of Jamaicans.

William received his degree in Industrial Engineering and Information Systems from Northeastern University in Boston, Massachusetts.

11.4 The current Directors are all Jamaican. All Directors other than Warren Chung and Dr. Neil Fong are non-executive Directors who are currently active in business. The Company has three (3) Independent Directors, namely: Peter D. Chin, William Mahfood and Quentin Hugh Sam.

### **Company Secretary**

11.5 Neil Fong, whose resume is briefly outlined above, currently serves as the secretary of the Company and is expected to continue in the post after the IPO. He will be supported in his role by Christopher Bovell, the Company's Mentor.

### **Senior Managers of the Company**

11.6 Brief details of the Company's Management Team are set out below

**Warren Chung, B.Sc.** See Section 11.3

President and CEO

**Dr. Neil Fong, B.Sc., M.B.B.S.** See Section 11.3

COO, Company Secretary, Medical Director

**Marjorie Miller, B.Sc., M.Sc.** Marjorie Miller has been the Manager at Elite for the past two years and manages the day to day operations. She was the General Manager of Berts Auto Parts from 2004 to 2015. Marjorie has a degree in Personnel & Human Resource Management, Business Management from Manchester, England. She also has a Diploma in  
General Manager

## Business Administration from University of Technology.

### **Judy Lawson,**

#### Chief Radiographer

Judy Lawson has been the Chief Radiographer since the Company commenced business in 2013. She manages and oversees the 4 other radiographers and is responsible for all aspects of the imaging done by the Company. She was a radiographer at University Hospital of the West Indies from 2003-2013. Her credentials include: C.A.M.R.T certificate, BLS certificate, ACLS certificate, ECG Dysrhythmia certificate, C.P.S.M. license and Caricom Community Skills certificate.

### **The Management Arrangement**

11.7 Warren Chung, as Chief Executive Officer will have overall responsibility for the day-to-day administration of the Company and management of its operations. More specifically his responsibilities will include:

- (a) ensuring the efficient operation of the Company in compliance with established guidelines, regulations and operating standards;
- (b) providing leadership and effective supervision of other staff and external service providers;
- (c) managing stockholders' relationship and public communication;

11.8 The Company has engaged Carlton Passley to provide consultancy and internal audit services to the Company.

### **Directors' and Senior Managers' Interest in the Company**

11.9 The interests of Directors and Senior Managers in the Shares (including legal and beneficial holdings) as of December 6, 2017, being the latest practicable date prior to the publication of the Prospectus are set out below:

Name	Number of Shares	Percentage of Issued Share Capital prior to IPO
Warren Chung	93,000	0.03%
Excel Investments Inc	145,140,264	51.34%

Two (2) directors of the Company, namely Warren Chung and Dr. Neil Fong, hold shares in the controlling shareholder, Excel Investments Inc. ("Excel"). Their interest in the issued share capital of Excel is as follows:

Name	Percentage of Issued Share Capital
Warren Chung	14.97%
Dr. Neil Fong	6.46%

No shareholder of Excel owns more than 15% of Excel's issued share capital.

### **Corporate Governance and Accountability**

11.10 The Board of Directors of the Company will pursue a policy of strong corporate governance and stockholder accountability. The Board recognises that the Company will be a steward of stockholders' funds and in discharging its management and reporting functions the stockholders' interest will be the primary focus.

- (a) **Audit Committee:** The Company will establish a three-man Audit Committee. The Committee will be initially comprised of three non-executive directors, namely: Peter D. Chin – chairman, William Mahfood and Andre Ho Lung. The mandate of the Audit Committee will include:
  - (i) the review and approval of the quarterly and annual financial statements prior to public release;
  - (ii) overseeing the financial reporting and disclosure processes;
  - (iii) monitoring the internal control and audit systems;
  - (iv) monitoring tax and regulatory compliance;
  - (v) establishing and monitoring ethics and governance policies and procedures;
  - (vi) monitoring the Company's risk management policies and practices;
  - (vii) monitoring the engagement and performance of the external auditors.
- (b) **Remuneration Committee:** The Remuneration Committee will be comprised of three non-executive, Independent Directors, namely: Peter D. Chin, Quentin Hugh Sam and William Mahfood. This Committee will fix the compensation of the Managing Director and other senior staff members and will monitor their performance. The Remuneration Committee will be mandated to ensure that the Company's remuneration arrangements are such as to support the strategic objectives of the Company and facilitate the recruitment, retention and motivation of suitable staff members.

### **Mentor**

11.11 The Company has appointed Mr. Christopher Bovell, M.A. LL.M. C.D. as its Mentor. Mr. Bovell is on the JSE list of Approved Mentors. He is an experienced Attorney-at-law. Mr. Bovell will provide support and assistance to the Board and its

Committees and will have the right to attend all Board meetings and Committee meetings.

### **Directors' Fees and Executive Emoluments**

11.12 As is customary, non-executive directors will be entitled to be paid directors' fees for attending Board meetings and committee meetings. Such fees will be fixed by the directors at the first Board meeting after the IPO and will not exceed customary levels for "small cap" companies in Jamaica. With the exception of the Independent Directors, all non-executive directors have agreed to forgo their rights to receive directors' fees for a period of six months commencing on the date of the closing of the IPO. Executive directors (Warren Chung and Dr. Neil Fong) will not be paid directors' fees so long as they hold executive positions in the Company.

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## **12. DIVIDEND POLICY**

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12.1 The holders of the Company's ordinary stock units will share proportionately on a per Share basis in all dividends and other distributions declared on the ordinary stock units of the Company. The Board intends to adopt a conservative dividend policy during the next five years as it continues to expand its business. Thus, after providing for an appropriate reserve to cover outgoings and a modest reserve for contingencies, the directors intend to recommend to the stockholders a distribution of approximately 10% of the distributable profits. The remaining profits will be retained for re-investment to grow the equity base of the Company to adequately fund expansion.

12.2 The dividend policy is subject to review from time to time by the Board of Directors of the Company and may change based on market conditions. Thus the Board will take into account such matters as general business conditions, the Company's financial results and prospects, investment opportunities, the tax environment and such other factors as the Board may deem relevant.

12.3 Pursuant to a loan agreement made on September 14, 2015 between the Company and Sagicor Bank Jamaica Limited, the Company is restricted from declaring dividends and making capital distributions while the relevant debt remains outstanding. This restriction will cease if the loan is repaid according to its tenure. The tenure of the loan is sixty (60) months from the initial date of disbursement of the proceeds of the loan. The Company will use part of the proceeds raised in the IPO to retire this debt which will allow the Company to adhere to the above dividend policy.

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## **13. AUDITORS' REPORT & FINANCIAL STATEMENTS**

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Elite Diagnostic Limited

Four Years Financial Information to June 30, 2017  
and Audited Financial Statements for Year Ended  
June 30, 2017

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## Independent auditors' report on four years financial information

### Mair Russell Grant Thornton

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To the Directors of  
Elite Diagnostic Limited  
On four years financial information  
Years ended June 30, 2017 through to June 30, 2014

Dear Sirs,

We have audited, in accordance with International Standards on Auditing, the separate financial statements of Elite Diagnostic Limited as at and for each of the years ended June 30, 2017 through to June 30, 2014 and in our reports dated October 26, 2017, October 21, 2016, October 14, 2015, and October 2, 2014 respectively, we expressed an unqualified opinion on each of these financial statements to the effect that the financial statements presents a true and fair view.

In our opinion, the extracted statements of financial position and statements of comprehensive income of the company set out in pages 3 - 8 are consistent, in all material respect, with the financial statements referred to above, from which they were derived.

For a better understanding of the company's financial position at the reporting dates referred to above, the results of operations for each of the years ended on those dates, and the scope of our audit, the extracted statements of financial position and statements of comprehensive income should be read in conjunction with the financial statements from which they were derived and our audit reports thereon, where applicable.

Kingston, Jamaica

October 27, 2017

A handwritten signature in black ink that reads "Mair Russell Grant Thornton". Below the signature, the words "Chartered Accountants" are printed in a smaller, sans-serif font.

Chartered Accountants

Partners:  
Kenneth L Lewis CD  
Monica E Francis  
Sixto P Coy  
Audrey C Hoyle  
Karen A Lewis

Chartered Accountants  
Member of Grant Thornton International Ltd

## Statement of financial position

	June 30, 2017 JA\$	June 30, 2016 JA\$	June 30, 2015 JA\$	June 30, 2014 JA\$
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	<b>187,897,748</b>	185,365,707	200,489,376	224,951,784
Deferred tax asset	-	10,494,074	391,750	-
	<b>187,897,748</b>	<b>195,859,781</b>	<b>200,881,126</b>	<b>224,951,784</b>
<b>Current assets</b>				
Trade and other receivables	<b>6,097,024</b>	7,087,097	8,783,485	6,630,064
Prepayment	<b>734,902</b>	734,902	779,383	1,266,578
Certificates of deposit	-	-	2,300,000	-
Cash and cash equivalents	<b>76,303,124</b>	57,049,909	21,134,513	6,469,014
	<b>83,135,050</b>	<b>64,871,908</b>	<b>32,997,381</b>	<b>14,365,656</b>
<b>Total assets</b>	<b>271,032,798</b>	<b>260,731,689</b>	<b>233,878,507</b>	<b>239,317,440</b>

## Statement of financial position (cont'd)

	June 30, 2017 JA\$	June 30, 2016 JA\$	June 30, 2015 JA\$	June 30, 2014 JA\$
<b>Equity and liabilities</b>				
<b>Equity</b>				
<b>Capital and reserve</b>				
Share capital	<b>217,848,063</b>	217,848,063	217,848,063	217,848,063
Accumulated surplus/(deficit)	<b>5,679,931</b>	(38,525,486)	(67,353,115)	(67,851,194)
<b>Total equity</b>	<b>223,527,994</b>	179,322,577	150,494,948	149,996,869
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Long-term loans	<b>34,548,969</b>	68,084,202	70,301,313	78,684,168
Deferred tax liability	<b>9,455,019</b>	-	-	-
	<b>44,003,988</b>	68,084,202	70,301,313	78,684,168
<b>Current liabilities</b>				
Trade and other payables	<b>3,500,816</b>	8,666,744	10,438,866	7,080,348
Income tax payable	-	4,658,166	249,811	-
Owing to Directors	-	-	2,393,569	3,556,055
	<b>3,500,816</b>	13,324,910	13,082,246	10,636,403
<b>Total liabilities</b>	<b>47,504,804</b>	81,409,112	83,383,559	89,320,571
<b>Total equity and liabilities</b>	<b>271,032,798</b>	260,731,689	233,878,507	239,317,440

## Statement of profit or loss and other comprehensive income

	June 30, 2017 JA\$	June 30, 2016 JA\$	June 30, 2015 JA\$	June 30, 2014 JA\$
<b>Income</b>	<b>263,096,181</b>	193,542,637	132,650,918	58,335,535
Direct cost	(87,406,891)	(71,618,324)	(45,796,747)	(20,965,899)
<b>Gross profit</b>	<b>175,689,290</b>	121,924,313	86,854,171	37,369,636
Other income	173,436	94,680	3,774	289,781
Administrative expenses	(80,658,160)	(61,466,968)	(50,867,573)	(41,784,793)
Depreciation and amortisation	(28,023,291)	(26,944,494)	(25,722,621)	(25,587,352)
<b>Operating profit</b>	<b>67,181,275</b>	33,607,531	10,267,751	(29,712,728)
Foreign gain/(loss)	415,089	(87,837)	(3,446)	(8,696,320)
Finance costs	(8,040,020)	(10,326,034)	(9,878,165)	(10,274,306)
<b>Profit before tax</b>	<b>59,556,344</b>	23,193,660	386,140	(48,683,354)
Income tax expense	(15,350,927)	5,633,969	111,939	-
<b>Profit for the year being total comprehensive income for the year</b>	<b>44,205,417</b>	28,827,629	498,079	(48,683,354)

## Statement of changes in equity

	Share capital JA\$	Accumulated surplus/ (deficit) JA\$	Total JA\$
<b>Balance at July 1, 2013</b>			
- Preopening expenses	217,848,063	-	217,848,063
Loss for the year 2014 being total comprehensive expense for the year	-	(19,167,140)	(19,167,140)
	-	(48,683,354)	(48,683,354)
<b>Balance at June 30, 2014</b>	217,848,063	(67,851,194)	149,996,869
Profit for the year 2015 being total comprehensive income for the year	-	498,079	498,079
<b>Balance at June 30, 2015</b>	217,848,063	(67,353,115)	150,494,948
Profit for the year 2016 being total comprehensive income for the year	-	28,827,629	28,827,629
<b>Balance at June 30, 2016</b>	217,848,063	(38,525,486)	179,322,577
Profit for the year 2017 being total comprehensive income for the year	-	44,205,417	44,205,417
<b>Balance at year ended June 30, 2017</b>	<b>217,848,063</b>	<b>5,679,931</b>	<b>223,527,994</b>

## Statement of cash flows

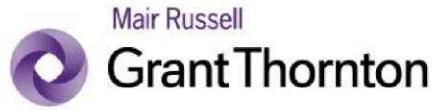
	June 30, 2017 JA\$	June 30, 2016 JA\$	June 30, 2015 JA\$	June 30, 2014 JA\$
<b>Cash flows from operating activities:</b>				
Profit/(loss) before tax	<b>59,556,344</b>	23,193,660	386,140	(48,683,354)
Pre-opening expense	-	-	-	(19,167,840)
Adjustments for:				
Depreciation and amortisation	<b>28,023,291</b>	26,944,494	25,722,621	25,587,352
	<b>87,579,635</b>	50,138,154	26,108,761	(42,263,842)
Decrease/(increase) in receivables	<b>990,073</b>	1,696,388	(2,153,421)	(6,630,064)
Increase in prepayment	-	44,481	487,195	(1,266,578)
Increase in owing to related companies	<b>(5,165,928)</b>	(1,772,122)	3,358,518	5,416,265
<b>Cash generated from operations</b>				
Income tax paid	<b>83,403,780</b>	50,106,901	27,801,053	(44,744,219)
	<b>(60,000)</b>	(60,000)	(30,000)	-
<b>Net cash provided by operating activities</b>				
	<b>83,343,780</b>	50,046,901	27,771,053	(44,744,219)

## Statement of cash flows (cont'd)

	June 30, 2017 JA\$	June 30, 2016 JA\$	June 30, 2015 JA\$	June 30, 2014 JA\$
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	<b>(30,555,332)</b>	(11,820,825)	(1,260,213)	(250,539,136)
Net proceeds from short-term loan	-	(2,393,569)	(1,162,486)	5,220,138
Certificate of deposit	-	2,300,000	(2,300,000)	-
<b>Net cash used in investing activities</b>	<b>(30,555,332)</b>	<b>(11,914,394)</b>	<b>(4,722,699)</b>	<b>(245,318,998)</b>
<b>Cash flows from financing activities:</b>				
Issue of shares	-	-	-	217,848,063
Repayment of long-term loans	<b>(33,535,233)</b>	(2,217,111)	(8,382,855)	78,684,168
<b>Net cash used in financing activities</b>	<b>(33,535,233)</b>	<b>(2,217,111)</b>	<b>(8,382,855)</b>	<b>296,532,231</b>
<b>Net increase in cash and cash equivalents</b>	<b>19,253,215</b>	35,915,396	14,665,499	6,469,014
<b>Cash and cash equivalents at beginning of years</b>	<b>57,049,909</b>	21,134,513	6,469,014	-
<b>Cash and cash equivalents at end of years</b>	<b>76,303,124</b>	<b>57,049,909</b>	<b>21,134,513</b>	<b>6,469,014</b>

### Payment of dividends and investment in subsidiaries

The company paid no dividends on its shares since incorporation and has no subsidiaries.



Elite Diagnostic Limited

Financial Statements

June 30, 2017



## Independent auditor's report

Mair Russell Grant Thornton

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To the Members of  
Elite Diagnostic Limited

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Elite Diagnostic Limited ("the Company") which comprise the statement of financial position as at June 30, 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at June 30, 2017, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirement of the Jamaican Companies Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and those charged with governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Partners:  
Kenneth L. Lewis CD  
Morsia E. Francis  
Sixto P. Coy  
Audrey C. Hoyte  
Karen A. Lewis

**Chartered Accountants**  
Member of Grant Thornton International Ltd

## Independent auditor's report (cont'd)

To the Members of  
Elite Diagnostic Limited

### **Report on the Audit of the Financial Statements (cont'd)**

Responsibilities of Management and those charged with governance for the Financial Statements (cont'd)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Independent auditor's report (cont'd)

To the Directors of  
Elite Diagnostic Limited

### **Report on the Audit of the Financial Statements (cont'd)**

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on additional matters as required by the Jamaican Companies Act**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

Kingston, Jamaica

October 27, 2017

  
Chartered Accountants

## Statement of financial position June 30, 2017

	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	(4)	<b>187,897,748</b>	185,365,707
Deferred tax asset	(5)	-	10,494,074
		<b>187,897,748</b>	195,859,781
<b>Current assets</b>			
Receivables	(6)	<b>6,097,024</b>	7,087,097
Prepayments		734,902	734,902
Cash and bank balances	(7)	<b>76,303,124</b>	57,049,909
		<b>83,135,050</b>	64,871,908
<b>Total assets</b>		<b>271,032,798</b>	260,731,689
<b>Equity</b>			
Share capital	(8)	<b>217,848,063</b>	217,848,063
Accumulated surplus/(deficit)		5,679,931	(38,525,486)
<b>Total equity</b>		<b>223,527,994</b>	179,322,577
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liability	(5)	<b>9,455,019</b>	-
Long-term loans	(9)	<b>34,548,969</b>	68,084,202
		<b>44,003,988</b>	68,084,202
<b>Current liabilities</b>			
Payables and accruals	(10)	<b>3,500,816</b>	8,666,744
Taxation payable		-	4,658,166
		<b>3,500,816</b>	13,324,910
<b>Total liabilities</b>		<b>47,504,804</b>	81,409,112
<b>Total equity and liabilities</b>		<b>271,032,798</b>	260,731,689

Approved for issue by the Directors on October 27, 2017 and signed on its behalf by:

  
Warren Chung

  
Neil Fong

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

**Statement of profit or loss and  
other comprehensive income  
Year ended June 30, 2017**

	Note	2017 \$	2016 \$
<b>Income</b>		<b>263,096,181</b>	193,542,637
Direct costs		(87,406,891)	(71,618,324)
Other income		175,689,290	121,924,313
		173,436	94,680
Administrative and general expenses	(11)	(80,658,160)	(61,466,968)
Depreciation		(28,023,291)	(26,944,494)
<b>Operating profit</b>		<b>67,181,275</b>	33,607,531
Finance costs		(8,040,020)	(10,326,034)
Exchange gain/(loss)		415,089	(87,837)
<b>Profit before tax</b>	(12)	<b>59,556,344</b>	23,193,660
Income tax (expense)/credit	(13)	(15,350,927)	5,633,969
<b>Total comprehensive profit for the year</b>		<b>44,205,417</b>	28,827,629

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

Statement of changes in equity  
Year ended June 30, 2017

	Share Capital \$	Accumulated profit/(losses) \$	Total \$
<b>Balance at June 30, 2015</b>	217,848,063	(67,353,115)	150,494,948
Profit for the year being total comprehensive income for the year	-	28,827,629	28,827,629
<b>Balance at June 30, 2016</b>	217,848,063	(38,525,486)	179,322,577
Profit for the year being total comprehensive income for the year	-	44,205,417	44,205,417
<b>Balance at June 30, 2017</b>	<b>217,848,063</b>	<b>5,679,931</b>	<b>223,527,994</b>

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

**Statement of cash flows**  
**Year ended June 30, 2017**

	<b>2017</b> \$	<b>2016</b> \$
<b>Cash flows from operating activities:</b>		
Profit before tax	59,556,344	23,193,660
Adjustments for:		
Depreciation	28,023,291	26,944,494
	<u>87,579,635</u>	<u>50,138,154</u>
Decrease in receivables	990,073	1,696,388
Decrease in prepayment	-	44,481
Decrease in payables and accruals	<u>(5,165,928)</u>	<u>(1,772,122)</u>
<b>Cash provided by operations</b>	<b>83,403,780</b>	<b>50,106,901</b>
Income tax paid	(60,000)	(60,000)
<b>Net cash provided by operations</b>	<b>83,343,780</b>	<b>50,046,901</b>
<b>Cash flow from investing activities</b>		
Net proceeds from short-term loan	-	(2,393,569)
Certificates of deposit	-	2,300,000
Repayment of long-term loan	<u>(33,535,233)</u>	<u>(2,217,111)</u>
Purchase of property, plant and equipment	<u>(30,555,332)</u>	<u>(11,820,825)</u>
<b>Net cash used in investing activities</b>	<b><u>(64,090,565)</u></b>	<b><u>(14,131,505)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>19,253,215</b>	<b>35,915,396</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>57,049,909</b>	<b>21,134,513</b>
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>76,303,124</b>	<b>57,049,909</b>

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

## Notes to the financial statements June 30, 2017

### **1. Identification**

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

### **2. Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB). These financial statements are presented in Jamaican Dollars.

#### **Key sources of estimation uncertainty**

The preparation of financial statements in accordance with International Financial Reporting Standards for Small and Medium Sized Entities (SMEs) 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.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

### **3. Summary of significant accounting policies**

The significant accounting policies that have been used in the preparation of the financial statements are summarised below and have been consistently applied for all the years presented:

#### **a Property, plant and equipment**

- (i) Property, plant and equipment are carried at cost less accumulated depreciation. (Note 4).
- (ii) Depreciation is provided on the straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The useful lives approximate to ten (10) years for equipment, furniture and fixtures and five (5) years for computers.

#### **b Revenue recognition**

Revenue is recognised on the accrual basis.

## **Elite Diagnostic Limited**

Notes to the Financial Statements  
June 30, 2017

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### **c Cash and cash equivalents**

These represent cash in hand, demand deposits and short-term money market accounts.

### **d Trade and other receivables**

Trade and other receivables are carried at amortised cost.

### **e Payables and accruals**

Payables and accruals are classified as financial liabilities measured at amortised cost. These are initially recognised at original invoice amount (which represents fair value) and subsequently measured at amortised cost.

### **f Income taxes**

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax is accounted for using the liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

### **g Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial instruments are recognised in the company's statement of financial position when it has become a party to the contractual provisions of the instruments.

The financial instruments carried in the statement of financial position are:

Financial assets:

Receivables, cash and cash equivalents and owing by directors.

Financial liabilities

Trade and other payables.

The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

## **Elite Diagnostic Limited**

Notes to the Financial Statements  
June 30, 2017

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### **h Impairment**

The company's property and equipment are subject to impairment testing.

Individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

### **i 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 Financial Statements  
June 30, 2017

**4. Property, plant and equipment comprise:**

The carrying amounts for equipment for the years included in these financial statements as at June 30, 2017 are reconciled as follows:

	Furniture and Fixtures \$	Medical Equipment \$	Computers \$	Computer Software \$	Solar System \$	Other Equipment \$	Leasehold Improvements \$	Total \$
<b>Gross carrying amount</b>								
Balance at July 1, 2016	10,155,303	197,943,713	875,044	4,949,725	9,683,461	14,934,023	25,078,905	263,620,174
Addition	2,800,167	13,713,778	578,121	606,988	-	-	12,856,278	30,555,332
<b>Balance at June 30, 2017</b>	<b>12,955,470</b>	<b>211,657,491</b>	<b>1,453,165</b>	<b>5,556,713</b>	<b>9,683,461</b>	<b>14,934,023</b>	<b>37,935,183</b>	<b>294,175,506</b>
<b>Depreciation</b>								
Balance at July 1, 2016	(2,970,704)	(59,201,314)	(521,982)	(2,795,222)	(968,346)	(4,480,207)	(7,316,692)	(78,254,467)
Current charge	(2,167,986)	(20,259,257)	(204,201)	(364,508)	(968,346)	(1,493,402)	(2,565,591)	(28,023,291)
<b>Balance at June 30, 2017</b>	<b>(5,138,690)</b>	<b>(79,460,571)</b>	<b>(726,183)</b>	<b>(3,159,730)</b>	<b>(1,936,692)</b>	<b>(5,973,609)</b>	<b>(9,882,283)</b>	<b>(106,277,758)</b>
<b>Carrying amount at June 30, 2017</b>	<b>7,816,780</b>	<b>132,196,920</b>	<b>726,982</b>	<b>2,396,983</b>	<b>7,746,769</b>	<b>8,960,414</b>	<b>28,052,900</b>	<b>187,897,748</b>
	Furniture and Fixtures \$	Medical Equipment \$	Computers \$	Computer Software \$	Solar System \$	Other Equipment \$	Leasehold Improvements \$	Total \$
<b>Gross carrying amount</b>								
Balance at July 1, 2015	9,998,598	197,089,786	875,044	4,551,820	-	14,934,023	24,350,078	251,799,349
Addition	156,705	853,927	-	397,905	9,683,461	-	728,827	11,820,825
<b>Balance at June 30, 2016</b>	<b>10,155,303</b>	<b>197,943,713</b>	<b>875,044</b>	<b>4,949,725</b>	<b>9,683,461</b>	<b>14,934,023</b>	<b>25,078,905</b>	<b>263,620,174</b>
<b>Depreciation</b>								
Balance at July 1, 2015	(1,955,174)	(39,406,943)	(346,973)	(1,805,277)	-	(2,986,804)	(4,808,802)	(51,309,973)
Current charge	(1,015,530)	(19,794,371)	(175,009)	(989,945)	(968,346)	(1,493,403)	(2,507,890)	(26,944,494)
<b>Balance at June 30, 2016</b>	<b>(2,970,704)</b>	<b>(59,201,314)</b>	<b>(521,982)</b>	<b>(2,795,222)</b>	<b>(968,346)</b>	<b>(4,480,207)</b>	<b>(7,316,692)</b>	<b>(78,254,467)</b>
<b>Carrying amount at June 30, 2016</b>	<b>7,184,599</b>	<b>138,742,399</b>	<b>353,062</b>	<b>2,154,503</b>	<b>8,715,115</b>	<b>10,453,816</b>	<b>17,762,213</b>	<b>185,365,707</b>

**Elite Diagnostic Limited**

Notes to the Financial Statements  
June 30, 2017

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**5. Deferred tax (liability)/asset**

Deferred tax is calculated on all temporary differences under the liability method using a tax rate of 25%. The movement on the deferred tax account is as follows:

	2017 \$	2016 \$
Balance at beginning of year	<b>10,494,074</b>	391,750
Credit during the year (Note 13)	<b>(19,949,093)</b>	10,102,324
<b>Balance at end of year</b>	<b>(9,455,019)</b>	10,494,074

Deferred tax balance arose on temporary differences in respect of the following:

	2017 \$	2016 \$
Deferred tax asset on:		
Unused tax losses	<b>1,284,148</b>	18,252,410
Deferred tax liability on:		
Property, plant and equipment	<b>(10,739,167)</b>	(7,758,336)
<b>Net deferred tax (liability)/asset</b>	<b>(9,455,019)</b>	10,494,074

**6. Receivables**

	2017 \$	2016 \$
Accounts receivables	<b>4,756,728</b>	6,297,767
Other receivables	<b>1,340,296</b>	789,330
<b>Total</b>	<b>6,097,024</b>	7,087,097

**7. Cash and cash equivalents**

	2017 \$	2016 \$
Cash at bank	<b>74,931,134</b>	56,606,786
Cash in hand	<b>1,371,990</b>	443,123
<b>Total</b>	<b>76,303,124</b>	57,049,909

**8. Share capital**

Issued and fully paid:

	Ordinary Shares	2017 \$	2016 \$
Sagicor Investment Jamaica	<b>300,048</b>	<b>30,000,000</b>	30,000,000
Barnet Limited	<b>238,336</b>	<b>23,839,817</b>	23,839,817
Excel Investments	<b>1,561,648</b>	<b>70,008,246</b>	70,008,246
Lizette Mowatt	<b>39,824</b>	<b>4,000,000</b>	4,000,000
NCB	<b>900,144</b>	<b>90,000,000</b>	90,000,000
<b>Total shares</b>	<b>3,040,000</b>	<b>217,848,063</b>	217,848,063

Under the Jamaican Companies Act, all shares in issue are deemed to be without a par value.

**Elite Diagnostic Limited**

Notes to the Financial Statements  
June 30, 2017

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**9. Long-term loans**

	2017 \$	2016 \$
(i) NCB	<b>29,082,731</b>	61,017,679
(ii) Sagicor Bank	<b>5,466,238</b>	7,066,523
<b>Total</b>	<b>34,548,969</b>	68,084,202

i The NCB loan bears interest of 10.25% per annum and is to be repaid by April 2021.

The loan is secured by Bill of Sale over diagnostic equipment.

ii The Sagicor loan bears interest of 9.50% per annum and is to be repaid by October 31, 2020.

The credit facility is secured by promissory note executed by the borrower along with borrowing resolution supported by:

- Guarantee from DBJ credit enhancement fund for JMD\$6,400,000.
- Corporate bill of sale over 42kw Canadian Solar Grid – Tied PV Solar System.
- Subordination of all Directors loan.

**10. Payables and accruals**

	2017 \$	2016 \$
Radiologist fee	-	3,925,225
Electricity and telephone	<b>139,128</b>	827,368
Statutory	<b>57,624</b>	706,226
Audit fee	<b>225,000</b>	190,000
Credit card	<b>1,248,252</b>	613,057
Other	<b>1,830,812</b>	2,404,868
<b>Total</b>	<b>3,500,816</b>	8,666,744

**11. Expenses by nature**

Total direct, administrative and other operating expenses:

	2017 \$	2016 \$
Rent	<b>7,872,912</b>	7,403,126
Audit fees	<b>500,000</b>	335,240
Legal and professional fees	<b>38,000</b>	355,240
Employee costs (Note 14)	<b>34,891,727</b>	23,932,939
Advertising	<b>5,337,162</b>	2,012,431
Maintenance	<b>8,811,266</b>	4,041,766
Electricity	<b>7,309,429</b>	6,625,435
Telephone	<b>2,290,727</b>	2,765,124
Insurance	<b>2,438,139</b>	1,553,012
Other expenses	<b>11,168,798</b>	12,797,895
<b>Total</b>	<b>80,658,160</b>	61,466,968

**Elite Diagnostic Limited**

Notes to the Financial Statements  
June 30, 2017

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**12. Profit before tax**

Profit before tax is stated after charging:

	2017	2016
	\$	\$
Depreciation	28,023,291	26,944,494
Auditors' remuneration	454,045	335,375
Loan interest	3,726,060	7,472,305
Gain/(loss) on foreign exchange	<u>415,089</u>	(87,837)

**13. Income tax**

(i) Income tax adjusted for tax purposes and computed at the tax rate 25% comprise:

	2017	2016
	\$	\$
Current tax expense	60,000	4,468,355
Deferred tax expense/(credit) (Note 5)	<u>19,949,093</u>	(10,102,324)
	<u>20,009,093</u>	(5,633,969)
Prior year adjustment	<u>(4,658,166)</u>	-
<b>Total</b>	<b><u>15,350,927</u></b>	<b>(5,633,969)</b>

(ii) Reconciliation of theoretical tax credit to effective tax charge:

	2017	2016
	\$	\$
<b>Profit before tax</b>	<b>59,556,344</b>	23,193,660
Tax at applicable rates of 25%	14,742,059	5,798,415
Minimum Business Tax	60,000	60,000
Adjustment for non-deductible expenses	7,122,572	6,996,117
Effect of allowances utilised	(7,098,530)	(3,977,822)
Prior year adjustment	(4,658,166)	-
Other charges	5,182,992	(14,510,679)
<b>Tax expense/(credit)</b>	<b><u>15,350,927</u></b>	<b>(5,633,969)</b>

(iii) Subject to the agreement of the Commissioner of Tax Administration of Jamaica, a tax loss of approximately \$4,926,764 (2016 - \$64,209,999) is available to be set off against future taxable profits. This loss, if not utilised, will be carried forward indefinitely.

**14. Employee costs**

	2017	2016
	\$	\$
Salaries and wages	24,624,309	18,788,506
Statutory contributions	4,692,179	5,243,328
Pension costs	719,487	75,838
Staff welfare and training	<u>4,855,752</u>	2,825,267
<b>Total</b>	<b><u>34,891,727</u></b>	<b>26,932,939</b>

## Elite Diagnostic Limited

Notes to the Financial Statements  
June 30, 2017

### 15. Risk management policies

The company's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

#### a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

##### i Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company is exposed to currency risk due to fluctuations in exchange rates on balances that are denominated in currencies other than the Jamaican Dollar. For transactions denominated in United States Dollars (US\$) the company however, maintains US\$ bank accounts in an attempt to minimise this risk.

At the end of the reporting period there were net (liabilities)/assets of approximately US\$307,646 (2016 - \$227,069) which were subject to foreign exchange rate changes as follows:

Concentrations of currency risk		
	2017	2016
	\$	\$
Financial assets		
- Cash and cash equivalents	<b>312,521</b>	232,042
Financial liability		
- Trade payables	(4,875)	(4,973)
<b>Total</b>	<b>307,646</b>	<b>227,069</b>

The above assets/(liabilities) are receivable/(payables) in United States Dollars (US\$). The exchange rate applicable at the end of the reporting period is J\$128.62 to US\$1 (2016 - J\$126.08 to US\$1).

#### Foreign currency sensitivity

The following table illustrates the sensitivity of profit for the year in regards to the company's financial assets and financial liabilities and US Dollar to Jamaican (JA) Dollar exchange rate, all other things being equal. The sensitivity analysis is based on the company's foreign currency financial instruments held at each reporting date. Only movements between the Jamaican Dollar and US Dollars are considered, as these are the two major currencies of the company.

The sensitivity analysis is based on the company's Jamaican Dollar financial instruments at the statement of financial position date.

Effect on results of operation:

**Elite Diagnostic Limited**

Notes to the Financial Statements  
June 30, 2017

If the JA Dollar weakens by 6% (2016 - 6%) against the US Dollar then this would have the effect shown below on the basis that all other variables remain constant.

	Percentage change %	Effect on earnings \$
<b>2017</b>	<b>6</b>	<b>2,374,217</b>

If the JA Dollar strengthens against the US Dollar by 1% (2017 - 1%) this would have the following effect:

	Percentage change %	Effect on earnings \$
<b>2017</b>	<b>1</b>	<b>(395,703)</b>

ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The company's cash and cash equivalents are subject to interest rate risk. However, the company attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

The company invests excess cash in short-term deposits and maintains interest-earning bank accounts with licensed financial institutions. Short-term deposits are invested for one-month periods at fixed interest rates and are not affected by fluctuations in market interest rates up to the date of maturity. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates.

iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The company's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

**b Credit risk**

The company faces credit risk in respect of its trade and other receivables and cash and bank balances. There is significant concentration of credit risk in trade and other receivables. However, this risk is controlled by close monitoring of these assets by the company. In addition, cash and bank balances are maintained with licensed financial institutions considered to be stable.

The maximum credit risk faced by the company is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	2017 \$	2016 \$
Bank balances	<b>40,197,263</b>	29,255,806
<b>Total</b>	<b>40,197,263</b>	29,255,806

## Elite Diagnostic Limited

Notes to the Financial Statements  
June 30, 2017

### c Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its commitments associated with financial liabilities.

The company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The company maintains cash and short-term deposits for up to 30-day periods to meet its liquidity requirements.

### 16. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities recognised at the end of the reporting periods under review may also be categorised as follows:

	2017 \$	2016 \$
<b>Current assets</b>		
Loans and receivables		
Receivables	6,097,024	7,087,097
Cash and bank balances	<u>76,303,124</u>	<u>57,049,909</u>
<b>Total</b>	<b><u>82,400,148</u></b>	<b><u>64,137,006</u></b>
 <b>Current liabilities</b>		
Financial liabilities measured at amortised cost		
Trade and other payables	3,500,816	8,666,744
<b>Total</b>	<b><u>3,500,816</u></b>	<b><u>8,666,744</u></b>

### 17. Capital management, policies and procedures

The company's capital management objectives are to ensure the company's ability to continue as a going concern and to sustain future development of the business. The company's Board of Directors review the financial position of the company at regular meetings.

The company is not subject to any externally imposed capital requirements.



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## **14. STATUTORY & GENERAL INFORMATION**

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The following statutory and general information is required to be set out in the Prospectus by section 42 and the Third Schedule to the Companies Act, 2004.

- 14.1 (a) The Company has no founders or management or deferred shares.
- (b) The Articles of Incorporation of the Company fix no shareholding qualification for directors and none have been otherwise fixed by the Company in general meeting. The Articles of Incorporation contain the following provisions with respect to the remuneration of directors:
82. Subject to Article 123, the remuneration of the directors shall be such amount as the board of directors, or any appropriate committee of the board of directors, may determine. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or in connection with the business of the Company.
- 94(3). A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.
- 94(5). Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorise a director or his firm to act as auditor to the Company.

96. The directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been directors of or employed by or in the service of the Company, or any company which is a subsidiary of the Company and to the wives, widows, children and other relatives and dependants of any such persons, and may set up, establish, support and maintain pension, superannuation or other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them. Any director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit, and may vote as a director in respect of the exercise of any of the powers of this Article conferred upon the directors notwithstanding that he is or may be or become interested therein.
99. The directors, on behalf of the Company, may pay a gratuity or pension or allowance on retirement to any director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
109. The Company may by ordinary resolution remove any director before the expiration of his period of office notwithstanding anything in these regulations or in any agreement between the Company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company.

(c) The names and addresses of the Directors of the Company are as follows:

Name	Address	Description
<b>Steven Gooden</b> , B.Sc., M.Sc., C.F.A.	8 West Close West Norbrook Heights Kingston 8	Banker
<b>Warren Chung</b> , B.Sc.	1 Dillsbury Avenue Kingston 6	Businessman
<b>Dr. Neil Fong</b> , B.Sc., M.B.B.S.	1 Lanark Drive Kingston 8	Medical Doctor
<b>Andre Ho Lung</b> , F.C.C.A., M.Sc.	32 Farringdon Heights Kingston 6	Banker

<b>Kevin Donaldson</b> , B.Sc., M.B.A.	12 Garth Road Kingston 8	Banker
<b>Paula Kerr-Jarrett</b> , B.A., LL.M.	Barnett Estate Fairfield Road Montego Bay	Attorney-at-Law
<b>Quentin Hugh Sam</b> , B.Sc.	1 Golding Avenue Kingston 6	Businessman
<b>Peter D. Chin</b>	4a Melwood Avenue Kingston 8	Businessman
<b>William Mahfood</b>	15 Millsborough Avenue Kingston 6	Businessman

14.2 (a) The minimum amount, which in the opinion of the Directors, must be raised by the Company from the issue of Shares in this IPO in order to provide for the matters set out in paragraph 2 of the Third Schedule to the Act is J\$50,000,000.

No part of the funds raised is intended to be applied towards the purchase of any property.

(b) No amount is required from any other source or will be obtained from any other source to provide for the matters set out in sub-paragraph (a) above.

14.3 (a) The Application List (for subscription for Shares in the IPO) will open at 9:00 a.m. on February 5, 2018 and will close at 4:30 p.m. on February 12, 2018, subject to the right of the Company to close the Application List at any time if subscriptions and applications have been received for an amount in excess of the available Shares or to extend the Closing Date in the event of any natural disaster, market disruption or materially inclement weather conditions affecting Jamaica.

(b) The Subscription Price of J\$2.00 per Share is payable in full on application. No further sum will be payable on allotment by the Company.

14.4 No Shares have been offered for subscription within the two years preceding the date of this prospectus. The Company has not made any previous offer of Shares to the public.

14.5 There are no options to subscribe for Shares or debentures in the Company with a view of the option holder offering such Shares or debentures for sale. Accordingly, paragraph 4(2) of Part 1 of the Third Schedule to the Companies Act, 2004 is inapplicable.

14.6 The Table below shows that (except as to bank loans and overdrafts as shown below) the Company has none of the assets or liabilities required to be disclosed pursuant to paragraph 5 of Part 1 of the Third Schedule to the Companies Act, 2004.

Assets	Aggregate Amount
(i) Trade investments	Nil
(ii) Quoted investments (other than trade investments); and	Nil
(iii) Unquoted investments (other than trade investments)	Nil
Goodwill, patents, trade marks or part of that amount is shown as a separate item in or is otherwise ascertainable from the books of the Company, or from any contract for the sale or purchase of any property to be acquired by the Company or from any documents in the possession of the Company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property, the said amount so shown or ascertained so far as it is shown or ascertainable and as so shown or ascertained, as the case may be	Nil
Bank loans and overdrafts (as at December 6, 2017)	J\$125,733,958.00
Net amount recommended for distribution of dividend after tax	Nil

14.7 For the purposes of paragraphs 7 and 8 of Part 1 of the Third Schedule to the Companies Act, 2004, the Company hereby confirms that it does not propose to purchase or acquire with the proceeds of the IPO any specific property which can be identified. The net proceeds of the IPO will be used (i) to reduce the Company's debt obligations which it incurred in order to expand the Company's business and (ii) to pay IPO & Listing Expenses and/or (iii) as working capital for the Company. Pending its use, the net IPO proceeds will be held in interest-bearing cash deposit with a commercial bank.

14.8 Paragraph 7 of Part 1 of the Third Schedule to the Companies Act, 2004 is inapplicable to the IPO as there is no identifiable property which the Company intends to purchase from the IPO proceeds.

14.9 Paragraph 8 of Part 1 of the Third Schedule to the Companies Act, 2004 is inapplicable to the IPO as there is no identifiable property which the Company intends to purchase from the Net IPO proceeds.

14.10 (a) Within the two preceding years of the date of this Prospectus no commissions have been paid, nor will any be payable to anyone by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company, save that the Company will pay to NCBCM and Sagicor

Investments, as Co-Lead Brokers with respect to the IPO, a commission of J\$3,000,000.00 each. Other securities dealers and investment advisors may be contracted by NCBCM or Sagicor Investments on such terms as they may deem appropriate to distribute the Shares. 18,000,000 Shares have been reserved for the Reserve Share Applicants.

(b) The IPO & Listing Expenses (estimated at J\$11,000,000.00) will be borne by the Company and be paid out of the IPO proceeds.

(c) No payment or benefit has been paid or given or will be paid or given to any of the Directors or any other person as promoter of the Company within the preceding two (2) years or at all.

14.11 The issue is not underwritten.

14.12 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the last two (2) years immediately preceding the date of issue of this Prospectus and is, or maybe, material, namely:

Date	Counterparty(ies)	Description
May 1, 2017	Tommison Investments Limited	Lease Agreement under which the Company leased property located at 164 ½ Old Hope Road
June 1, 2017	West Indies Radiology Outsourcing Limited	Agreement for the provision of radiology services to the Company.
June 8, 2017	National Commercial Bank Jamaica Limited	Loan Agreement for Senior Secured Amortizing Term Loan and Senior Unsecured Business Edge Card credit facilities totaling J\$93,045,000.
October 3, 2017	General Electric Company	Financed Sales Agreement entered into between Elite and General Electric Company ("GE") pursuant to which Elite purchased, partially with vendor financing, a 3 Tesla MRI scanner from GE (see section 9.14 for further information).
October 12, 2017	NCB Capital Markets Limited and	Letter of Engagement for the provision of arranger, broker and listing agent services in relation to the IPO.

Sagicor Investments  
Jamaica Limited

November 23,            Christopher Bovell      Mentor Agreement.  
2017

14.13 The name and address of the auditors of the Company are:

Mair Russell Grant Thornton  
3 Haughton Avenue  
Kingston 10

14.14 The Company was incorporated on February 28, 2012 and commenced trading in August 2013 and accordingly, paragraph 13 of Part 1 of the Third Schedule of the Companies Act does not apply.

### **Director's Interest**

14.15 Non-executive Directors will be entitled to be paid directors' fees for attending Board meetings and committee meetings. Such fees will be fixed by the Directors at the first Board meeting after the IPO and will not exceed customary levels for "small cap" companies in Jamaica. With the exception of the Independent Directors, all non-executive Directors have agreed to forgo their rights to receive Directors' fees for a period of six months commencing on the date of the closing of the IPO. Directors who hold executive positions with the Company (being at this time, Warren Chung and Dr. Neil Fong) will not be paid Directors' fees.

14.16 Except as stated above and salaries paid to the two Executive Directors no payment or benefit has been made or given to any Director for services rendered by him personally to the Company and the Company has not made any payment or granted any benefit to any Director to induce him to serve as a Director of the Company or to qualify him as a Director of the Company.

14.17 Two directors of the Company, namely Steven Gooden and Andre Ho Lung, were appointed to the Board by NCBCM, a shareholder of Elite and one of the Co-lead Brokers. NCBCM intends to sell part of its shareholdings in Elite immediately on the listing of the Shares (see section 14.21 for further information). Andre Ho Lung, a director of the Company, was appointed to the Board by Sagicor Investments, a shareholder of Elite and the other Co-lead Broker. Both Sagicor Investments and NCBCM will be paid co-broker fees in relation to the IPO (see Section 14.10(a) for further information).

## **Other Matters**

14.18 The Company has issued one class of shares namely ordinary shares (herein called "the Shares"). A holder of ordinary shares has, on a show of hands, one vote irrespective of the number of ordinary shares held, but on a poll he will have one vote for each ordinary share registered in his name. The holder of a Share may vote in person or by proxy and a proxy need not be a member of the Company. On issue the ordinary shares will be converted into stock units.

## **IPO and Listing Expenses**

14.19 The Company intends to use the net proceeds of the IPO to pay the IPO and Listing Expenses, which are estimated to be in the region of J\$11,000,000. The IPO and Listing Expenses will include the following:

Expenses	Estimated Fees (J\$)
(i) Legal fees	3,000,000
(ii) Co-lead brokers' fees	6,000,000
(iii) Registration fees payable to the Registrar of Companies	255,000
(iv) JSE initial listing fees	117,251
(v) Registrar and Transfer Agent fees	250,000

All the foregoing fees, (except the Prospectus filing fees) will attract general consumption tax.

## **Material Litigation**

14.20 The Company is not involved in any litigation, arbitration or other legal proceedings in Jamaica or in any other jurisdiction and the directors of the Company are not aware of any circumstance which would give rise to any such litigation, arbitration or other proceedings.

## **Sale by NCBCM**

14.21 NCBCM and WIROL have agreed that NCBCM will sell from its shareholdings up to 5% of Elite's issued share capital ("the Sale Shares") to WIROL. These Shares will be sold by NCBCM at the IPO price immediately on the listing of Elite's Shares on the JSE. If the Shares are not so listed, then NCBCM will not proceed with the sale of Shares to WIROL.

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## **15. CONSENTS**

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15.1 Mair Russell Grant Thornton have given and have not withdrawn their written consent to the issue of this Prospectus with the inclusion of the Auditors' Report, and the complete audited financial statements of the Company for the financial year ended June 30, 2017, and their name in the form and context in which it is included.

15.2 The Directors of the Company have given and have not withdrawn their written consent to the issue of the Prospectus and the inclusion therein of all material facts relevant to the Company as required by the Act.

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## **16. DOCUMENTS AVAILABLE FOR INSPECTION**

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During the period that the IPO remains open for subscription for Shares, the following documents will be available for inspection on any Business Day during the hours of 9:00 am to 4:30 pm, at the office of Patterson Mair Hamilton, Temple Court, 85 Hope Road, Kingston 6.

- (a) written consent of the Auditors, Mair Russell Grant Thornton;
- (b) audited financial statements of the Company from year ended June 30, 2014 up to year ended June 30, 2017;
- (c) unaudited financial statements of the Company for the first financial quarter ended September 30, 2017;
- (d) resolutions of the Company passed on November 11, 2017 (i) to convert from a private to a public company; (ii) to increase its authorized capital and sub-divide its Shares and (iii) to adopt new Articles of Incorporation;
- (f) copies of the material contracts referred to in Section 14.12; and
- (g) the Articles of Incorporation of the Company.

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## **17. APPLICATION PROCEDURE**

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### **Applications**

17.1 Applications for Shares shall be made on the original Application Form included at the end of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the reverse of the Application Form and be delivered or mailed to NCBCM or Sagicor Investments or to any selling agent appointed by the Company.

17.2 A Reserve Share Applicant may apply for Reserved Shares using the Application Form accompanying this Prospectus and the Application Form will be treated as a Reserved Share Application Form if the Subscriber checks the “Reserved Share Applicant” checkbox and a Co-Lead Broker or the Company confirms that such Subscriber is a Reserve Share Applicant. The maximum number of Reserved Shares which may be allotted to a Reserve Share Applicant (not including Medical Practitioners) is restricted as follows:

- (a) A Director or employee of the Company will not be allotted more than 140,000 Reserved Shares;
- (b) An Affiliated Doctor will not be allotted more than 140,000 Reserved Shares;
- (c) An Affiliated Entity will not be allotted more than 140,000 Reserved Shares;
- (d) A Referring Doctor Tier 1 will not be allotted more than 140,000 Reserved Shares; and
- (e) A Referring Doctor Tier 2 will not be allotted more than 100,000 Reserved Shares.

Reserve Share Applicants who apply for Reserved Shares in excess of the above limits will be allotted the maximum number of Reserved Shares as set out above. Shares in excess of the above limits will be allotted to such applicant from the pool of shares available to the general public on a first come first serve basis. In the event of multiple Application Forms being submitted by a Reserve Share Applicant the Company reserves the right to accept any or all Application Forms subject to the limits stated above.

The pool of 4,760,000 Reserved Shares reserved for Medical Practitioners will be available for allotment to, or among, them on a “first come first served basis” without any guaranteed minimum allotment.

17.3 If subscriptions are received for fewer Reserved Shares than the block of 18,000,000 Shares so reserved, then the Reserved Shares not taken up will be added to the pool of Shares available to satisfy subscriptions or applications by the general public.

17.4 If needed, additional copies of this Prospectus containing an Application Form may be obtained from the Company's web site at [www.elite-diagnostic.com](http://www.elite-diagnostic.com) or from any NCBCM office or its web site or from any office of Sagicor Investments or its web site or from any other stockbroker or licensed securities dealer or investment adviser. Assistance in completing Application Forms may be obtained from any such stockbroker securities dealer or investment adviser.

17.5 The Company reserves the right to reject multiple applications and if multiple applications are received, only the first application in time may be processed. **An Application Form which is not part of a Prospectus should under no circumstances be used to apply for shares in this IPO. All potential investors are encouraged to read the Prospectus in full before deciding to invest in the Shares.**

### **Terms and Conditions of all Applications**

17.6 All Applications for Shares are subject to the following terms and conditions:

17.7 Neither the submission of an Application Form by a Subscriber nor its receipt by the Company will result in a binding contract between the Subscriber and the Company. Only the allotment of Shares by the Company to a Subscriber (whether such Shares represent all or part of those specified by the Subscriber in his/her Application Form) will result in a binding contract under which the Subscriber will be deemed to have agreed to accept and pay for the number of Shares allotted or allocated to him at the Subscription Price, subject to these terms and conditions.

17.8 The subscription in the IPO will open at 9:00 a.m. on February 5, 2018 and will close at 4:30 p.m. on February 12, 2018 subject to the right of the Company to close the Application List at any time if applications have been received for the full amount of the Shares available for subscription and subject also to the right of the Company to extend the closing beyond that date subject to section 48 of the Companies Act, 2004. In the event of an early closing or an extension of the closing notice will be posted on the website of the Jamaica Stock Exchange ([www.jamstockex.com](http://www.jamstockex.com)).

17.9 Applications made must be for a minimum of 1,000 Shares. Applications for amounts in excess of 1,000 shares must be in multiples of 100 shares. Applications for amounts in other denominations will not be processed or accepted.

17.10 All Application Forms must be submitted together with payment for the Shares in the form of either:

- (a) a manager's cheque made payable to "**NCB Capital Markets Limited**" or "**Sagicor Investments Jamaica Limited**";

- (b) authorization from the Subscriber on the Application Form, instructing NCBCM or Sagicor Investments to make payment from cleared funds held with NCBCM or Sagicor Investments, as the case may be, in an investment account in the Subscriber's name; or
- (c) where applicable, proof of payment to **NCB Capital Markets Limited** or **Sagicor Investments Jamaica Limited** made electronically using either the RTGS payment system or by wire transfer.

Absolutely no cash will be collected.

All completed Application Forms must be delivered to NCBCM or Sagicor Investments at any of their offices, including the following locations:

NCB Capital Markets Limited	The Atrium 32 Trafalgar Road Kingston 10
Sagicor Investments Jamaica Limited	Sagicor Bank Building 85 Hope Road Kingston 6

17.11 NCBCM or Sagicor Investments, as receiving agents, reserves the right reject incomplete applications, but is not obliged to do so if the Subscriber's intention is sufficiently clear.

17.12 Receipts will not be issued for sums received as payment for Shares. All Shares allotted or sold to successful Subscribers will be held in the JCSD and credited to an account in the JCSD in the name of the Subscriber within 21 days of the Closing Date of the Application List. Evidence of the Subscriber's holding of Shares will be provided by statements generated by the JCSD and mailed to the Subscriber at the address indicated on their Application Form. If any application is not accepted or is accepted for fewer than the number of Shares applied for, the subscription monies, or the balance thereof as the case may be, will be returned within 10 Business Days after the Closing of the IPO and in any event no later than 40 days following the issue of the Prospectus by crossed cheque sent through the post or, if instructed, held for collection at NCBCM or Sagicor Investments. No interest is payable on such refunds.

17.13 Subscribers must be at least 18 years old. However, Subscribers who have not yet attained the age of eighteen (18) years, may apply jointly with Subscribers who are at least eighteen (18) years of age.

17.14 The Company reserves the right to reject, in whole or in part, any application and to allot or allocate less than the amount of Shares applied for by a Subscriber.

17.15 The Company reserves the right to withdraw the IPO by notice published in at least one of the local daily newspapers and on the JSE website. The Company also reserves the right to reject any application if any of the conditions for application set out in this Prospectus is not met.

17.16 By submitting an Application a prospective investor shall be deemed to represent to the Company that:

- (a) he has read and understood or has had the opportunity to read and understand this Prospectus (including the terms and conditions in this section 17) and to gather and review all additional information considered by him to be necessary to verify the accuracy of the information contained in this Prospectus;
- (b) he has not relied on the Company or any other persons connected with the Company in connection with his investigation of the accuracy of such information or his investment decision;
- (c) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Subscriber has relied in submitting his Application Form;
- (d) he has made his own assessment of the Company, and the merits and risks of subscribing for or purchasing Shares, inclusive of taking advice (or waiving the need for such advice) in relation to the financial and legal implication of subscribing for or purchasing Shares and tax implications thereof.
- (e) he has accepted the terms and conditions set out in this Prospectus, including in any Appendix hereto;
- (f) the Directors may take all such further requisite action without further reference to him or other stockholders to secure the listing of the Company on the Junior Market and the completion of all matters relating to the IPO;
- (g) he will be deemed to have offered to purchase from the Company the number of Shares applied for in his Application Form (or such lesser number which may be allotted or allocated to him by the Directors) on the terms and subject to the conditions set forth herein and subject further to the Articles of Incorporation of the Company.

17.17 Successful Subscribers will be allotted Shares for credit to their account in the Jamaica Central Securities Depository specified in their Application Forms. Subscribers may refer to the confirmation instructions that will be posted on the website of the Jamaica

Stock Exchange ([www.jamstockex.com](http://www.jamstockex.com)) after the Closing Date. Subscribers who wish to receive share certificates must make a specific request for such share certificate.

17.18 Save with respect to the fixed number of Reserved Shares available to Reserve Share Applicants and save as to the requirement for a minimum subscription of 1,000 Shares by a member of the public or a Reserve Share Applicant and that subscription in excess of 1,000 must be in multiples of 100 Shares there is no restriction as to the number of Shares for which a Subscriber may apply for subject to provisions of any law or regulation which may impose conditions or restrictions on certain persons, such as approved superannuation funds as to their investment in shares and certain securities.

17.19 The Company will endeavor to return cheques for the amounts refundable to Subscribers whose Application Forms are not accepted, or whose Application Forms are only accepted in part, to the Subscriber's address shown in the Application Form within 10 (ten) Business Days after the Closing Date or as soon as practicable thereafter but in any event within 40 days after the issue of this Prospectus. If a Subscriber so indicates on his Application Form his refund cheque will be sent to the JCSD for collection by him (or by the first-named joint Subscriber) stated in the Application Form. Any other persons purporting to collect a cheque on behalf of the Subscriber must be authorised in writing by the Subscriber(s) to do so. All refunds of amounts greater than the RTGS threshold of J\$1 Million, will be refunded via RTGS to the account of origin.

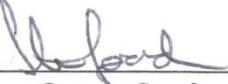
17.20 Within three (3) days after close of the Application List, the Company shall give notice to the JSE of the basis of allocation and the list of allottees will be delivered to the JSE within ten (10) days after the allotment and allocation.

### **Basis of Allotment/Allocation**

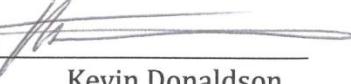
17.21 Application Forms that meet the requirements set out in this Prospectus shall be accepted on a "first come first served basis". All Applications will be time-stamped to indicate the date and time it was received. If Applications are received before the List opens at 9.00 a.m. on February 5, 2018 then such Applications will, for allotment purposes, be stamped as received at 9.00 a.m. on February 5, 2018 being the date of the opening of the Application List.

17.22 Subscriptions for Reserved Shares will be satisfied from the block of 18,000,000 Shares reserved in the IPO for Reserve Share Applicants who submit valid Subscription Forms.

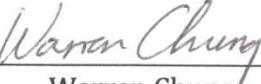
Signed on behalf of Elite Diagnostic Limited by its Directors on this 11<sup>th</sup> day of December 2017.

Signed:   
Steven Gooden

Signed:   
Dr. Neil Fong

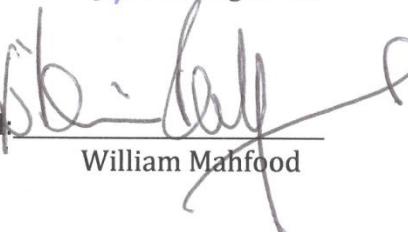
Signed:   
Kevin Donaldson

Signed:   
Andre Ho Lung

Signed:   
Warren Chung

Signed:   
Quentin Hugh Sam

Signed:   
Paula Kerr-Jarrett

Signed:   
William Mahfood

Signed:   
Peter D. Chin

## APPENDIX



### ELITE DIAGNOSTIC LIMITED INITIAL PUBLIC OFFER - APPLICATION FORM

**PLEASE READ CAREFULLY BEFORE COMPLETING THIS FORM**

To: ELITE DIAGNOSTIC LIMITED ("Elite" or "the Company")

**Re: Invitation for Subscription for up to 70,680,000 ordinary shares ("the Application Shares") in Elite made pursuant to the Prospectus dated the 11<sup>th</sup> day of December 2017 (the "Prospectus").**

I/We confirm that I/we have read and understood and hereby agree to be bound by the terms and conditions contained in the Prospectus, all of which are incorporated in this Application Form by reference.

I/We hereby apply for \_\_\_\_\_ ordinary shares in Elite on and subject to the terms and conditions of the IPO set out in the Prospectus at the price of JMD **2.00** each. I/We have made /remitted payment of the sum of JMD \_\_\_\_\_ for my/our subscription/purchase and the JCSD processing fee of JMD **163.10** (inclusive of GCT) with proof of payment attached or I/we request my broker to make payment on my/our behalf from cleared funds held by them in my /our names in account numbered \_\_\_\_\_, with them. I/We agree to accept the Application Shares or any smaller number in respect of which this application may be accepted, subject to the terms and conditions in the Prospectus and the Articles of Incorporation of Elite, by which I/We agree to be bound. I/We request you to sell and/or transfer to me/us the number of Application Shares, which may be allocated to me/us at the close of the said IPO on the terms and conditions governing applications, as set forth in the Prospectus. I/We hereby agree to accept the Application Shares that may be allocated to me/us to be credited to an account in my/our name(s) in the Jamaica Central Securities Depository (JCSD).

**Instructions to completing application form:** All fields are relevant and must be completed. If you already have an account with the JCSD, please ensure that you indicate your JCSD Account number.

**Reserved Shares**

(if applicable, see overleaf & the Prospectus)

Reserve Share Applicant

Other

<b>PRIMARY HOLDER</b>															
Full Name of Applicant (Individual or Company)															
TRN	Occupation/ Line of Business														
Address Line 1															
Address Line 2															
Nationality or Country of Incorporation						Telephone (Home)									
Telephone (Work)						Telephone (Cellular)							Facsimile		
Email Address												Broker Code			
JCSD Number						Broker Account									

Signatures  
(Company) \_\_\_\_\_ DIRECTOR DIRECTOR/SECRETARY

**SEAL OR STAMP REQUIRED FOR COMPANIES**

Signature  
(Individual) \_\_\_\_\_ APPLICANT

### JOINT HOLDER(S)

Full Name <b>(First Joint Holder)</b>	
TRN	
Occupation	

Signature \_\_\_\_\_ Date \_\_\_\_\_

Full Name <b>(Second Joint Holder)</b>	
TRN	
Occupation	

Signature \_\_\_\_\_ Date \_\_\_\_\_

Full Name <b>(Third Joint Holder)</b>	
TRN	
Occupation	

Signature \_\_\_\_\_ Date \_\_\_\_\_

### PAYMENT VERIFICATION INFORMATION

#### Managers Cheque

Cheque Number		Cheque Amount		Institution	
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#### ACH/RTGS

Amount		Confirmation/ Reference #		Institution	
Sender's Account Name				Sender Account #	

#### Online Transfer

Amount		Confirmation/ Reference #		Institution	
Sender's Account Name				Sender Account #	

**ALL APPLICANTS MUST INPUT THEIR TRN NUMBERS.  
THIS OFFER IS NOT MADE TO PERSONS OUTSIDE JAMAICA**

**TO BE COMPLETED WHERE REFUND OR DIVIDEND PAYMENT IS TO BE MADE BY RTGS FOR AMOUNTS EXCEEDING J\$1,000,000  
PLEASE INSERT YOUR RTGS INFORMATION**

NAME OF BANK:	
BRANCH:	
SWIFT/BIC	
NAME(S) ON BANK ACCOUNT:	
ACCOUNT NUMBER:	
ACCOUNT TYPE:	
FOR FURTHER CREDIT TO:	

### **NOTES ON HOW TO COMPLETE THE APPLICATION FORM**

1. All completed applications must be delivered to NCB Capital Markets Limited at The Atrium, 32 Trafalgar Road, Kingston 10 or to Sagicor Investments Jamaica Limited at Sagicor Bank Building, 85 Hope Road, Kingston 6 or to any of their offices in Jamaica.
2. Applications must be for a minimum of 1,000 shares with increments in multiples of 100 shares. Applications in other denominations **will not** be processed or accepted.
3. If you are a Reserve Share Applicant, please so specify at the top of the Application Form.
4. All applicants must attach their payment for the specified number of Shares they have applied for, in the form of either:
  - a) A Manager's cheque made payable to either NCB Capital Markets Limited or Sagicor Investments Jamaica Limited, or
  - b) Authorization on the Application Form from the Applicant instructing NCB Capital Markets Limited or Sagicor Investments Jamaica Limited to make payment from cleared funds held in an Investment account in the Applicants Name, or
  - c) Transfer in Real Time Gross Settlement (RTGS) system, in the case of payment of J\$1,000,000 or more to

(i) **NCB Capital Markets**

Bank: National Commercial Bank Jamaica Limited  
BIC: JNCBJMKX  
Branch: 1-7 Knutsford Boulevard (New Kingston)  
Account Name: NCB Capital Markets Limited  
Beneficiary Address: NCB Atrium, 32 Trafalgar Road, Kingston 10  
Account number: 241406067

or

(ii) **Sagicor Investments Jamaica Limited**

Beneficiary Bank: Sagicor Bank Jamaica Limited  
Beneficiary Bank BOJ A/C #: 1058  
BIC: SAJAJMKN  
For Further Credit to: Sagicor Investments Ja Ltd Stockbrokerage a/c # 5501809081

5. If you are applying jointly with another person, you must complete the Joint Holder Information and each joint holder **must** sign the Application Form in the place indicated.
6. All Applicants must be at least 18 years old and must attach a certified copy of their T.R.N. card or Jamaican Driver's Licence displaying the T.R.N.
7. Share Certificates will not be issued unless specifically requested through your broker. Instead, the shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository ("JCSD"). If the applicant does not have a JCSD account, one will be created by your broker and the allotted shares deposited to that account.
8. All Applicants are deemed to have accepted the terms and conditions set out in the Prospectus and the Articles of Incorporation of the Company generally.

**THIS SECTION FOR USE BY BROKER ONLY**

**DATE APPLICATION RECEIVED:** \_\_\_\_\_ **TIME RECEIVED** \_\_\_\_\_

**PAYMENT METHOD:**  Cheque  Electronic Transfer

**PAYMENT AMOUNT:** \_\_\_\_\_ **PAYMENT DATE:** \_\_\_\_\_

**POOL:** \_\_\_\_\_

**Broker Authorised Signatory & Stamp**