IMAGING DYNAMICS COMPANY LTD.

FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED JUNE 30, 2019

Your Global Medical Imaging Technology Provider

Management Report

To the Shareholders of Imaging Dynamics Company Ltd.:

The accompanying condensed consolidated interim financial statements for the six months ended June 30, 2019 of Imaging Dynamics Company Ltd. (the "Company") are the responsibility of Management. The condensed consolidated interim financial statements have been prepared by Management in accordance with International Financial Reporting Standards ("IFRS") and include certain estimates that reflect Management's best judgment. The Corporation's auditors have not reviewed or audited these condensed consolidated interim financial statements.

Management is also responsible for a system of internal controls which is designed to provide reasonable assurance that the Company's assets are safeguarded and accounting systems provide timely and accurate financial reports.

Signed: *"Paul Lin"*

Paul Lin

Chief Executive Officer
Aug 29, 2019

Signed: "*Rong Xue*"

Rong Xue

Chief Financial Officer

Imaging Dynamics Company Ltd.

Condensed Consolidated Interim Statements of Financial Position

(unaudited, expressed in Canadian dollars)

As at	Note *		June 30, 2019		December 31, 2018
Assets					
Current					
Cash and cash equivalents		**$**	**40,478**	$	129,848
Trade and other receivables	5 and 18		**2,993**		7,842
Inventory	6		**139,685**		176,058
Prepaid expenses and other			**45,361**		26,955
			228,517		340,703
Non-current assets					
Property, plant and equipment	7		**294,220**		323,685
Intangible assets	8		**216,979**		249,073
Investment	21		**3,271,640**		3,599,576
Total Assets		**$**	**4,011,356**	$	4,513,037
Liabilities					
Current					
Trade and other payables	9 and 18	**$**	**3,584,343**	$	3,302,136
Customer deposits			**1,017,510**		1,245,570
Convertible debenture - current	10		**17,805,065**		17,797,754
Lease inducement			**11,548**		11,547
Short term loan			**511,820**		
Warranty provision			**89,466**		80,034
			23,019,752		22,437,041
Long-term liabilities					
Lease inducement			**32,718**		33,680
Total Liabilities			**23,052,470**		22,470,721
Shareholders' deficiency					
Share capital	11		**78,147,450**		78,147,450
Share-based payments reserve	12		**7,186,107**		7,186,107
Contributed surplus	13		**5,508,389**		5,508,389
Other comprehensive income			**(149,094)**		(163,400)
Deficit			**(109,733,966)**		(108,636,230)
			(19,041,114)		(17,957,684)
Total Liabilities and Shareholders' deficiency		**$**	**4,011,356**	$	4,513,037
Going concern	2				

* the accompanying notes are an integral part of these unaudited condensed unconsolidated interim financial statements

On behalf of the Board:

"Signed" Paul Lin
Paul Lin, Chief Executive Officer

"*Signed*" *Tim Seung*
Tim Seung, Director

Imaging Dynamics Company Ltd.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(unaudited, expressed in Canadian dollars)

	Note*		Three months ended June 30, 2019		2018		Six months ended June 30, 2019		2018
Revenues	19 and 20	**$**	**76,771**	$	251,693	**$**	**391,653**	$	465,426
Cost of sales			**14,210**		133,444		**100,969**		260,211
Gross profit		**$**	**62,561**	$	118,249	**$**	**290,684**	$	205,215
Expenses									
Sales and marketing			**26,984**		74,194		**70,297**		143,116
General and administrative			**120,712**		216,414		**323,032**		433,799
Research and development			**22,222**		128,016		**162,970**		263,834
Foreign exchange loss (gain)			**(65,770)**		4,497		**(146,966)**		11,900
Warranty provision			**1,857**		6,262		**9,610**		11,605
Depreciation of property, plant and equipment	7		**24,153**		38,655		**48,306**		81,684
Amortization of intangible assets	8		**16,047**		24,148		**32,093**		45,797
Loss(Gain) on disposition of PP&E			**4,505**				**4,505**		
		$	**150,710**	$	492,186	**$**	**503,847**	$	991,735
Loss before others			**(88,149)**		(373,937)		**(213,163)**		(786,520)
Loss from investment in subsidiaries	21		**(179,870)**		**(385,187)**		**(342,243)**		**(708,803)**
Finance costs									
Interest expense			**269,260**		367,541		**542,330**		730,885
Income before taxes			**(537,279)**		(1,126,665)		**(1,097,736)**		(2,226,208)
Deferred tax recovery			**-**		-		**-**		-
Net Income/loss			**(537,279)**		(1,126,665)		**(1,097,736)**		(2,226,208)
Other comprehensive income									
Foreign currency translation (loss) gain			**11,088**		**-**		**14,306**		
Net Income/loss and comprehensive loss		**$**	**(526,191)**	**$**	**(1,126,665)**	**$**	**(1,083,430)**	**$**	**(2,226,208)**
Net Income/loss per share, basic and diluted									
Continuing operations	14		**(0.01)**		(0.02)		**(0.02)**		(0.04)
Discontinued operations			**-**		-		**-**		
Net Income/loss		**$**	**(0.01)**	$	(0.02)	**$**	**(0.02)**	$	(0.04)

* the accompanying notes are an integral part of these unaudited condensed unconsolidated interim financial statements

Imaging Dynamics Company Ltd.

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency

(unaudited, expressed in Canadian dollars)

	Note*	Share Capital	Share-based payments reserve	Contributed surplus	Accumulated Other Comprehensive Income	Deficit	Non-controlling Interest	Total Shareholders' Deficiency
Balance December 31 2017		$78,147,450	$7,186,107	$5,507,196	($467,371)	($111,849,956)	$8,026	($21,468,548)
Loss of control in subsidiary		-	-	-	**467,371**	-	**470**	**467,841**
Foreign exchage gain (loss) on translation		-	-	-	**(163,400)**	-	-	**(163,400)**
Convertible debentures		-	-	**1,193**	-	-	-	**1,193**
Gain/Loss for the year		-	-	-		**3,213,726**	**(8,496)**	**3,205,230**
Balance December 31, 2018		**$78,147,450**	**$7,186,107**	**$5,508,389**	**($163,400)**	**($108,636,230)**	**$0**	**($17,957,684)**
Foreign exchage gain (loss) on translation		-	-	-	**14,306**	-	-	**14,306**
Gain/Loss for the year		-	-	-	-	**(1,097,736)**	-	**(1,097,736)**
Balance June 30, 2019		**$78,147,450**	**$7,186,107**	**$5,508,389**	**($149,094)**	**($109,733,966)**	**$0**	**($19,041,114)**

* the accompanying notes are an integral part of these unaudited condensed unconsolidated interim financial statements

Imaging Dynamics Company Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(unaudited, expressed in Canadian dollars)

	Note*	Three months ended June 30, 2019	2018	Six months ended June 30, 2019	2018
Cash provided by (used in):					
Operating activities					
Net loss		**($526,191)**	($1,126,665)	**($1,083,430)**	($2,226,208)
Items not affecting cash:					
Depreciation of property, plant & equipment	7	**24,153**	38,655	**48,306**	81,684
Amortization of intangible assets	8	**16,047**	24,148	**32,093**	45,797
Loan accretion and accrued interest		**269,260**	367,541	**542,330**	730,885
Warranty expense (recovery)		**1,680**	-	**9,433**	-
Loss from investment in subsidiaries	21	**168,782**	385,187	**327,937**	708,803
		(46,269)	(311,134)	**(123,331)**	(659,039)
Change in non-cash working capital	15	**(460,298)**	396,623	**(465,367)**	795,263
Cash (provided by) used in operating activities		**(506,567)**	85,489	**(588,698)**	136,224
Investing activities					
Additions to property, plant and equipment	7	(18,841)	-	(18,841)	-
Additions to intangible assets	8	-	(57,343)	-	(89,364)
Cash (provided by) used in investing activities		**(18,841)**	**(57,343)**	**(18,841)**	**(89,364)**
Financing activities					
Convertible debentures, net of issue costs		**-**	-	**7,311**	-
Loans payable		**508,932**	-	**510,858**	-
Cash (provided by) used in financing activities		508,932	-	518,169	-
Net (decrease) increase in cash and cash equivalents		**(16,476)**	**28,146**	**(89,370)**	**46,860**
Cash and cash equivalents beginning of period		**56,954**	71,891	**129,848**	53,177
Cash and cash equivalents end of period		**$40,478**	$100,037	**$40,478**	$100,037

* the accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

1. Nature of the organization

Imaging Dynamics Company Ltd. (the "Company" or "IDC") is a public company incorporated under the laws of the Province of Alberta. The Corporation is listed on the TSX Venture Stock Exchange ("TSXV"), trading under the symbol "IDL". The address of its registered office is #130, 3510 29th Street NE, Calgary, Alberta, Canada, T1Y 7E5.

These consolidated financial statements consolidate the accounts of the Company and its wholly-owned subsidiaries: IDC USA, Inc. IDC Europe Inc, IDC Hongkong Inc and 1370509 Alberta Inc.

2. Going concern

These consolidated financial statements of the Company have been prepared by Management on a going concern basis which assumes that the Company will realize the carrying value of its assets and satisfy its obligations as they become due in the normal course of operations. As of June 30, 2019, the Company had excess of current liabilities over current assets of $22,791,235 (working capital at December 31, 2018 – $22,096,338), and an accumulated deficit at June 30, 2019 of $109,733,966 (December 31, 2018– $108,636,230). The ability of the Company to continue as a going concern will depend on attaining a satisfactory revenue level, the generation of cash from operating activities, and the ability to secure additional new financing arrangements and new capital, the outcome of which is uncertain.

The Company will seek to raise additional capital through equity markets, debt markets or other innovative financing arrangements, including partnership or licensing arrangements that may be available for continued operations. However, the disclosed uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Although, in the opinion of management, the use of the going concern assumption is appropriate, there can be no assurance that any steps management is taking will be successful. These consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, revenues, expenses and the balance sheet classifications that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

3. Basis of preparation

a) Statement of compliance

These consolidated financial statements were authorized for issuance by the Board of Directors on Aug 29, 2019. The Company prepared these consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and the interpretations of the International Financial Reporting Standards Interpretations Committee ("IFRIC") in effect at January 1, 2017.

b) Basis of measurement

The interim financial statements do not include all information and disclosures normally provided in annual financial statements and should be read in conjunction with the Company's year ended December 31, 2018 audited consolidated financial statements available at www.sedar.com. The Company has prepared these interim financial statements using the same accounting policies and

3. Basis of preparation*(continued)*

critical accounting estimates applied in the Company's year ended audited consolidated financial statements.

These consolidated financial statements have been prepared on a historical cost basis except as discussed in the significant accounting policies as below.

c) Functional and presentation currency

The Company measures the transactions in its entities using the currency of the primary economic environment in which the entity operates (functional currency). These consolidated financial statements are presented in Canadian dollars ("CAD") which is the functional currency of the parent entity. The functional currency of the Chinese subsidiaries is the Renminbi ("CNY"). The functional currency of the inactive subsidiaries includes CAD, US dollars and Hong Kong dollars.

d) Use of estimates, assumptions and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the period reported. Although these estimates are based on management's best knowledge of amounts, events or actions, actual results ultimately may differ from these estimates.

Estimates, assumptions and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised as future confirming events occur.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are included in the following notes:

3. Basis of preparation*(continued)*

(i) Estimates

Allowance for doubtful accounts – Management continuously monitors and reviews its trade and other receivables and makes its best assumption on collectability of these trade and other receivables (Note 5). Any uncertainty in these assumptions could impact the value of the trade and other receivables reported in these consolidated financial statements.

Inventory obsolescence - Management reviews and estimates the carrying value of inventory periodically and records a provision for inventory obsolescence for specific inventory items. These estimates by their nature are subject to uncertainty and the impact of the provision for inventory obsolescence expense could be material in these consolidated financial statements.

Property, plant and equipment and intangible assets – Depreciation and amortization expense and impairment of assets are recorded based on management's estimate of the useful life of the assets, market conditions, and fair value of assets or projected cash flows derived from the use of the assets,

3. Basis of preparation*(continued)*

which in turn determines the depreciation/amortization rates and asset impairment calculations (Notes 7 and 8). By their nature, these estimates are subject to uncertainty and the impact on the consolidated financial statements of future periods could be material.

Share-based payments reserve – Management uses the Black-Scholes option pricing model to determine the fair value of the share-based payments (Note 12). Management is required to make several assumptions working through the Black-Scholes model. By its nature, Black-Scholes option pricing model assumptions are subject to uncertainty and could impact the share-based payments expense and reserve on these consolidated financial statements.

Warranty provision – Management estimates and recognizes a warranty expense at the time of sale and a provision is recognized. Management reviews historical information of warranty related issues, warranty period provided at time of sale, and warranty received from its vendors in determining the amount of provision that is required to be recognized. These assumptions by their nature are subject to uncertainty and the impact of warranty expense and warranty provision could be material in these consolidated financial statements.

Deferred taxes – Tax interpretations, regulations and legislation are subject to change, and as such, deferred taxes are subject to measurement uncertainty. Deferred taxes are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings and which tax rate is expected to apply when the temporary differences reverse.

Convertible debentures – The initial value of the convertible debentures was determined based on an estimated market interest rate of 8.28%. Management determined the interest rate considering the previous interest rate of the long-term debt, the credit risk of the Company and the interest rate on similar loans of other public companies.

Assets held for sale and discontinued operations - During the prior year, IDC Shanghai, a wholly owned subsidiary, entered into a financing arrangement with BSZ, BXT and FuLi. The operations of IDC Shanghai and its subsidiaries were classified as assets held for sale as at December 31, 2017 for the following reasons:

- the Company entered an arrangement during the year that will result in loss of control of IDC Shanghai and its subsidiaries
- The actions to complete the financing are expected to be completed within one year.

IDC Shanghai was classified as a discontinued operation as it is a component that represents a major geographical segment that was classified as held for sale.

(ii) Judgments

Cash generating units ("CGUs") - The Company uses judgment in determining the grouping of assets to identify its CGUs for purposes of testing for impairment of property, plant and equipment and intangible assets. The determination of what constitutes a CGU is subject to management's judgment. The asset composition of a CGU can directly impact the recoverability of assets included within the CGU. In assessing the recoverability of the assets, each CGU is compared to the greater of its fair value less costs of disposal and its value in use.

3. Basis of preparation*(continued)*

Contingent liability – Management reviews all contingent liabilities and uses its best estimates and judgment based on the facts and information available at its disposal to determine if a provision is necessary to be recorded in these consolidated financial statements. Should those assumptions and judgments not materialize, there could be an impact on these consolidated financial statements.

Internally generated intangible assets – Management monitors the progress of each internal research and development project. Significant judgment is required to distinguish between the research and development phases. The accounting for research and development costs is described in Note 4 m. Management also monitors whether the recognition requirements for development assets continue to be met and whether there are any indicators that capitalized costs may be impaired. Upon satisfying the recognition requirements for development activities, management assesses the useful life of the long-lived assets in addition to assessing for impairment.

Power to exercise control, joint control or significant influence – judgement is required in determining whether the Company has the power to exercise control, joint control, or significant influence over another entity. In making this decision, the Company reviews the degree of influence it has to govern the relevant activities of another entity, taking into consideration the Company's equity interest, voting interest, ability to appoint senior management and officer and the Company's exposure to variable returns from the entity.

4. Summary of significant accounting policies

The accounting policies set out below have been applied consistently by the Company and its subsidiaries to all periods presented in these consolidated financial statements.

a) Basis of consolidation

b) These financial statements consolidate the accounts of the Company and its wholly-owned subsidiaries: IDC USA, Inc., IDC Europe Inc., IDC Hongkong Inc. and 1370509 Alberta Inc.

c) On April 10, 2017, IDC Beijing closed on the acquisition of 51% of the common shares of Guangzhou Service Medical Tech. Co. Ltd ("Guangzhou Service"), a Chinese company. The name of this subsidiary has been changed from Guangzhou Service to IDC (Guangzhou) Ltd

d) During prior year 2017, Shanghai IDC Healthcare Co. ("IDC Shanghai"), a wholly owned subsidiary, entered into a financing arrangement in China. The financing was approved by the Chinese government authorities on May 2nd, 2018. The financing was subject to shareholder approval and was satisfied by receiving written shareholder consent. The financing arrangement resulted in the Company losing control of IDC Shanghai. IDC Guangzhou and IDC Shanghai have not been consolidated at December 31, 2018 and June 30, 2019.

(i) Subsidiaries:

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those

4.Summary of significant accounting policies*(continued)*

returns through its power over the subsidiary. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases or is determined to be held for sale.

(ii) Transactions eliminated on consolidation:

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing these consolidated financial statements.

b) Cash and cash equivalents

Cash and cash equivalents consist of amounts on deposit with banks, term deposits and other similar short-term highly liquid investments with maturities of 90 days or less at the date of issuance.

c) Inventory

Inventory consists of purchased components and finished goods and is stated at the lower of cost and net realizable value. Cost is determined on a weighted average cost basis. Cost of sales represents movement in inventory for the year.

d) Property, plant and equipment

All property, plant and equipment have been recorded at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Costs associated with equipment upgrades that result in increased capabilities or performance enhancements of property and equipment are capitalized if it is probable that the future economic benefits embodied within the expenditure or asset will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of day-to-day servicing incurred to repair or maintain property, plant and equipment are expensed as incurred.

When parts of an asset classified within property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is recognized in the consolidated statement of operations and comprehensive loss and is calculated over the depreciable amount, which is the cost of an asset less its estimated residual value. Residual values and useful lives, where applicable, are reviewed annually against prevailing market values for equivalently aged assets and amortization rates are adjusted accordingly on a prospective basis.

Depreciation is charged so as to write-off the cost of these assets less residual value over their estimated useful economic lives, for the following classes of assets:

Technical, lab and computer equipment	30% declining balance straight line
Office equipment	20% declining balance straight line
Tradeshow equipment	3 to 4 years straight-line
Leasehold improvements	Straight-line over lease term

4. Summary of significant accounting policies*(continued)*

e) Intangible assets

Intangible assets with definite useful lives are recorded at cost less accumulated amortization and impairment losses and are comprised of digital X-ray technology patents, licenses and software. Digital X-ray technology patents and licenses are amortized over a 10-year period on a straight-line basis, software is amortized on a 30% declining balance basis since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets.

Subsequent expenditures are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditures on internally generated goodwill and brands, are recognized in the consolidated statement of operations and comprehensive loss as incurred. Amortization methods, useful lives, and residual values are reviewed at each financial year-end and adjusted prospectively if appropriate.

f) Financial Instruments.

i. Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Company's business model for managing financial assets refers to how it managers its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give risk on specified dates to cash flows that are solely payments of principal and interest (SPPI") on the principal amount outstanding.

Financial assets at amortized cost include cash and cash equivalents, which includes with banks, and trade and other receivables.

Financial assets at fair value through profit and loss

4. Summary of significant accounting policies*(continued)*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purchase of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through comprehensive income, as described above, debt instruments may be also designated at fair value through profit or loss in initial recognition if doing so eliminates or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income (loss).

Impairment of financial assets

The Company recognized an allowance for ECLs for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next the 12 months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For those credit exposures that are considered credit impaired, with interest income recognized on the balance net of allowance.

At such reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company compares the risk of default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effect, including historical and forward looking information.

The Company considered a financial asset in default when contractual payments are 91 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

4. Summary of significant accounting policies*(continued)*

Financial liabilities are classified as financial liabilities at FVTPL or other financial liabilities, as appropriate. The group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initial at fair value net of directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate ("EIR"). Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statement of comprehensive income (loss).

The Company classifies its trade and other payables and convertible debentures as other financial liabilities.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification is treated as a derecognition of the original liability and recognition of a new liability, and the difference in the respective carrying amounts recognized in profit or loss.

g) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. Judgement is required in establishing whether there are indicators of impairment related to these assets such as changes in market price, the extent or manner in which it is being used or in its physical condition, operations and business environment.

h) Provisions

Provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions for estimated expenses related to product warranties are made at the time products are sold. These estimates are established using historical information relating to

the nature, frequency and average cost of warranty claims. Claims are assessed at each reporting date and adjustments to estimates are made based on updated historical information.

i) Revenue recognition

The Company derives revenue from product sales of tis Medical Imaging equipment and FDA certification testing for medical imaging equipment.

Applying the five-step model required by IFRS 15, Revenue from Contracts with Customers, revenue is recognized as follows for these contracts:

4. Summary of significant accounting policies*(continued)*

Identify the contract

The contractual arrangement executed with the customer, specifying the equipment, scope of FDA certification testing and consideration

Identify distinct performance obligations:

The contract may include multiple performance obligations.

Estimate transaction price

The transaction price is based on the observable stand-alone selling price as stated in the contract and is based on a fixed fee. No variable consideration exists.

Allocate price to performance obligations:

The transaction price is allocated to each performance obligation linked to customer commitments for each obligation under the contract based on stand-alone selling prices.

Recognize revenue as the performance obligations are satisfied:

Revenue is recognized at a point in time once control passes to the customer and when all significant contractual obligations have been satisfied, collection is probable and the amount of revenue can be estimated reliably.

j) Customer deposits

Deposits that have been paid for by customers but will qualify for recognition within the next twelve months of the statement of financial position date under the Company's policies is reflected in current liabilities as deferred revenue. Included in customer deposits are payments received in advance associated with the sale of the Company's products.

Deposits that have been paid for by customers but will not qualify for recognition within the next twelve months of the statement of financial position date under the Company's policies are reflected in non-current liabilities as long-term customer deposits. The Company has no long-term customer deposits at December 31, 2018 or December 31, 2017.

k) Segment reporting

The Company is organized into two sales geographic areas within one operating segment consisting of China and the Americas. These regions are organized to manage sales and distribution channels and are currently not maintained or managed as operating regions.

l) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the consolidated statement of operations and comprehensive loss except to the extent that it relates to items recognized directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

4. Summary of significant accounting policies*(continued)*

The Company recognize deferred taxes in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

m) Research and development

Research costs are expensed as incurred. Development costs are deferred if the Company can demonstrate (i) the technical feasibility of completing the product or process, (ii) the intention to complete the project, (iii) the ability to use or sell the product in commercial production, (iv) future economic benefits that the product or process can generate, including the existence of a market for the output of the project, (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the product, and (vi) the ability to measure reliably the expenditure attributable to the project during development.

If these criteria are not met, development costs are expensed as incurred. If the costs are deferred, they are amortized over their useful lives on a straight-line basis commencing with commercial production.

n) Foreign currency translation

(i) Foreign transactions

Transactions completed in currencies other than the functional currency are reflected in Canadian dollars at the exchange rates prevailing at the time of the transactions. Foreign currency assets and liabilities are translated to Canadian dollars at the period-end exchange rate. Revenue and expenses are translated into Canadian dollars using the average exchange rate for the period. Both realized and unrealized foreign exchange gain or losses resulting from the settlement or translation of foreign currency transactions are included in in the consolidated statement of operations and comprehensive loss.

4. Summary of significant accounting policies *(continued)*

(ii) Foreign operations

Assets and liabilities of foreign operations are translated into Canadian dollars at the period-end exchange rate. Revenues and expenses of foreign operations are translated to Canadian dollars using the average exchange rate for the period. Foreign exchange differences resulting from converting the subsidiaries' accounts from their functional currencies to the Canadian dollar, are recorded in OCI and are reclassified to the consolidated statement of operations and comprehensive loss when there has been a disposal or partial disposal of the foreign operation.

o) Share-based payments

The fair value of any stock options granted to directors, officers and employees is recorded as an expense over the vesting period with a corresponding increase recorded to the share-based payments reserve. The fair value of the share-based payments is determined using the Black-Scholes option pricing model and management's assumptions as disclosed in Note 12. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in the share-based payments reserve is recorded as an increase to share capital.

p) Per share amounts

Basic earnings or loss per share is calculated by dividing the earnings or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding for the period. Diluted earnings or loss per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as stock options, warrants, convertible debentures and other dilutive instruments granted to employees. In the calculation of diluted per share amounts, outstanding dilutive instruments are assumed to have been converted or exercised on the later of the beginning of the year and the date granted. The number of additional shares related to convertible debentures is calculated assuming the debentures are converted into common shares by dividing the face value of convertible debentures by the conversion price. Earnings is adjusted for interest or accretion, net of tax, related to the convertible debentures. In loss per share situations, the diluted per share amount is the same as that for basic, as all factors are anti-dilutive.

q) Assets held for sales and discontinued operations:

(i) Assets held for sales

The Company classifies assets, or disposal groups, as held for sale when it expects to recover their carrying amount primarily through sale rather than through continuing use. To meet criteria to be held for sale, the sale must be highly probable, and the assets or disposal groups must be available for immediate sales in their present condition. The Company must be committed to a plan to sell the assets or disposal group, and the sales should be expected to be qualified for recognition as a completed sale within one year from the date of classification.

The Company measures assets or disposal groups at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group first is allocated to goodwill if any, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories or financial assets. Impairment losses on initial classification as held for sale and subsequent gains and

4. Summary of significant accounting policies *(continued)*

losses on remeasurement are recognized before reclassing to assets held for sale in the statement of comprehensive income (loss); however, gains are not recognized in excess of any cumulative impairment loss. Upon classifying assets or disposal groups as held for sale, the Company presents the assets separately as a single amount and the associated liabilities separately as a single amount on the statement of financial position. Comparative period consolidated statements of financial position are not restated. Assets held for sale are not depreciated, depleted, or amortized.

(ii) Discontinued operations

A discontinued operation is component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or classified as held for sale. The operations and cash flows can be clearly distinguished from the rest of the Company, both operationally and for financial reporting purpose. When the Company classifies an operation as a discontinued operation, it re-presents the comparative consolidated statements of income as if the operation had been discontinued from the start of the comparative year. In doing this, the Company excludes the results of the discontinued operations and any gain or loss from disposal from the consolidated statements of operations from continuing operations and presents them on a separate line as profit or loss (net of tax) from the discontinued operations. Per share information and changes to other consolidated comprehensive income (loss) related to discontinued operations are presented separately from continuing operations. Cash flows from discontinued operations are presented separately from cash flows from continuing operations in the consolidated statements of cash flows.

r) Investment in associate

When the Company has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. The Company's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates are initially recognized at cost plus the Company's share of their post-acquisition results less dividends received. The consolidated statement of profit (loss) and comprehensive income (loss) reflect the share of the results of operations of the associates. Where there has been a change recognized directly in the equity of the associates, the Company recognizes its share of any changes and discloses this, when applicable, in the statements of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associates are eliminated to the extent of the Company's

investment in the associates, except where unrealized loss provide evidence of an impairment of the asset transferred.

The financial statements of the associates are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with the Company.

Upon loss of significant influence over the associates, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

4. Summary of significant accounting policies *(continued)*

s) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling Interest (NCI) in the acquire. For each business combination,The Company elects whether to measure NCI in the acquire at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Company acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is measured at its acquisition date fair value, and any resulting gain or loss is recognized in the statement of profit or loss and other comprehensive income.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments is measured at fair value, with changes in fair value recognized either in the statement of profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured, and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the fair value of the identifiable net assets acquired and liabilities assumed. If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred (bargain purchase), before recognizing a gain, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the assessment still results in an excess of the fair value of the net assets acquired over the aggregate consideration transferred, then the gain is recognized in the statement of profit or loss and other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a CGU and part of the operation in that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

4. Summary of significant accounting policies *(continued)*

t) Accounting standards adopted

The Company adopted the following standards or amendments that were effective at January 1, 2018:

IFRS 9 – *Financial Instruments* ("IFRS 9") was issued by the IASB on December 16, 2011 and will replace the IAS 39 – *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having two categories: amortized cost and fair value.

The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial asset. IFRS 9 also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. This standard is mandatorily effective from January 1, 2018, with earlier application permitted.

The following information sets out the impacts of adopting IFRS 9 on the consolidated statements of financial position, including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's expected credit losses ("ECLs"). Management has assessed the characteristics of its financial assets and which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this classification results in cash and cash equivalents, and trade and other receivables being classified as financial assets at amortized cost as previously classified under loans and receivables. As a result of the adoption of IFRS 9 and the ECL model, management has recorded a $1 million expected credit loss adjustment through opening retained earnings related to the discontinued operations of IDC Shanghai as January 1, 2018 transitional adjustment. The comparative information was not restated and continue to be reported under IAS 39.

IFRS 15 – *Revenue from Contracts and Customers* ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18 – *Revenue*, IAS 11 – *Construction Contracts*, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard, and it is effective for annual periods beginning on or after January 1, 2018. The Company adopted this standard using the cumulative transition method, which did not have a material effect on the financial statements. Therefore, the comparative information was not restated as a result of the adoption.

u) Accounting standards not adopted

IFRS 16 **–** *Leases*

On January 13, 2016, the IASB issued the final version of IFRS 16 *Leases*. The new standard will replace IAS 17 *Leases* and is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that also apply IFRS 15 *Revenue from Contracts with Customers*.

(unaudited, expressed in Canadian dollars)

4. Summary of significant accounting policies *(continued)*

IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

IFRIC 23 – Uncertainty over Income Tax Treatments (“IFRIC23”)

In June 2017, the IASB issued IFRIC 23 which clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. The interpretation requires an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;

An entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment and if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

IFRIS 23 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The interpretation requires retrospective application, with some practical expedients available on adoption.

The Company is currently assessing the impact of the new standards on these consolidated financial statements.

5. Trade and other receivables

As at	Note		**June 30, 2019**		December 31, 2018
Trade receivables	18	**$**	**2,993**	$	7,842
		$	**2,993**	$	7,842

Allowance for doubtful accounts of $205,259 (December 31, 2018 - $278,837) has been netted against trade receivables (see Note 18).

6. Inventory

As at	Note		**June 30, 2019**		December 31, 2018
Inventory net of allowance for obsolescence		**$**	**139,685**	$	176,058
		$	**139,685**	$	176,058

During the period ended June 30, 2019, the Company recorded a provision for inventory obsolescence of $856,186 (2018 -$856,186).

(unaudited, expressed in Canadian dollars)

7. Property, plant and equipment

Cost		Technical, lab and computer equipment		Leasehold improvements		Office equipment		Vehicle		Tradeshow equipment		Total
Balance,												
December 31, 2017	$	1,991,835	$	430,348	$	497,400	$	-	$	1,128,314	$	4,047,897
Additions												-
Transfer from asset held for sale		(10,610)		(8,010)		1,920		-		158,635		141,935
Balance,												
December 31, 2018	**$**	**1,981,225**	**$**	**422,338**	**$**	**499,320**	**$**	**-**	**$**	**1,286,949**	**$**	**4,189,832**
Additions		-		-		-		23,346		-		23,346
Balance,												
June 30, 2019	**$**	**1,981,225**	**$**	**422,338**	**$**	**499,320**	**$**	**23,346**	**$**	**1,286,949**	**$**	**4,213,178**
Accumulated depreciation												
Balance,												
December 31, 2017		1,956,941		57,031		458,067		-		1,118,988		3,591,027
Depreciation		12,840		80,688		13,631		-		48,274		155,433
Impairment										119,687		119,687
Balance,												
December 31, 2018	**$**	**1,969,781**	**$**	**137,719**	**$**	**471,698**	**$**	**-**	**$**	**1,286,949**	**$**	**3,866,147**
Depreciation		1,717		40,344		6,246		-		-		48,307
Impairment						4,504		-				4,504
Balance,												
June 30, 2019	**$**	**1,971,498**	**$**	**178,063**	**$**	**482,448**	**$**	**-**	**$**	**1,286,949**	**$**	**3,918,958**
Net book value as at:												
December 31, 2018	$	11,444	$	284,619	$	27,622	$	-	$	-	$	323,685
June 30, 2019	**$**	**9,727**	**$**	**244,275**	**$**	**16,872**	**$**	**23,346**	**$**	**-**	**$**	**294,220**

During the Period June 30, 2019, the Company has sold its assets with the carrying value of 4504. During the Year 2018, the company certain written off the carrying value of $119,686 for items in property, plant and equipment that are not in use and have no value.

(unaudited, expressed in Canadian dollars)

8. Intangible assets

Cost	Software	Digital X-ray technology patents, development, and licenses	Total
Balance, December 31, 2017	$739,798	$1,736,227	$2,476,025
Additions	-	-	-
Transfer from Assets held for sale	4,999	(14,330)	(9,331)
Balance, December 31, 2018	$744,797	$1,721,897	$2,466,694
Additions	-	-	-
Balance, June 30, 2019	**$744,797**	**$1,721,897**	**$2,466,694**
Accumulated amortization			
Balance, December 31, 2017	735,806	1,265,560	$2,001,366
Amortization	6,555	87,539	94,094
Impairment	2,436	119,725	122,161
Balance, December 31, 2018	$744,797	$1,472,824	2,217,621
Amortization		32,093	32,093
Balance, June 30, 2019	**$744,797**	**$1,504,917**	**$2,249,715**
Net book value as at:			
December 31, 2018	$0	$249,073	$249,073
June 30, 2019	**$0**	**$216,980**	**$216,979**

During the year 2018, the Company has written off certain digital x-ray technology patents, development and license costs of $122,161 pertaining to technology not being sold.

9. Trade and other payables

As at		**June 30, 2019**		December 31, 2018
Trade payables	**$**	**342,763**	$	330,555
Interest payable		**2,788,362**		2,253,342
Other payables and accruals		**453,218**		718,239
Trade and other payables	**$**	**3,584,343**	$	3,302,136

(unaudited, expressed in Canadian dollars)

10. Convertible Debentures

As at	June 30, 2019	December 31, 2018
Convertible debentures, face value		
September 28, 2015 offering	**$ 6,250,000**	$ 6,250,000
January 22, 2016 offering	**5,750,000**	5,750,000
October 7, 2016 offering	**6,000,000**	6,000,000
June 8, 2017 partial redemption	**(150,000)**	(150,000)
	$17,850,000	$17,850,000
Equity portion of debentures	**(944,564)**	(944,564)
Accrued interest	**1,205,051**	1,205,051
Amortization of discount	**(198,617)**	(205,928)
Issue costs	**(106,805)**	(106,805)
Balance, convertible debentures	**17,805,065**	17,797,754
Less current Portion	**(17,805,065)**	(17,797,754)
	$ -	$ -

During 2015 and 2016, the Company completed the following non-brokered private placement financings of convertible debentures. The convertible debentures are compound financial instruments consisting of the debt instrument and an equity feature.

a) On September 28, 2015, the Company completed a convertible debentures financing for gross proceeds of $6,250,000 in principal amount. The convertible debentures have a maturity date of September 28, 2018, bear interest at a rate of 6.0% per year payable annually, and are convertible into common shares of the Company at the holder's option at a conversion price of $0.10 per common share for a period of three years on or before September 28, 2018. The debt instrument was recorded at amortized cost using the effective interest method at an annual discount rate of 8.28% over the 3 year life of the debentures. The gross proceeds of $6,250,000 were allocated between the debt instrument for $5,884,611 and to the equity component for $365,389. The convertible debentures have an original maturity date of September 28, 2018. On Oct 25th, 2018, the convertible debentures were extended to January 22, 2019. All terms remained consistent with the original issuance other than the maturity date. As a result of the modification, a gain on the extension of $112,697 was recognized in the profit and loss. In February 7, 2019, the convertible debentures were further extended to January 22, 2020.

b) On January 22, 2016, the Company completed a convertible debentures financing for gross proceeds of $5,750,000 in principal amount. The convertible debentures have a maturity date of January 22, 2019, bear interest at a rate of 6.0% per year payable annually, are convertible into common shares of the Company at the holder's option at a conversion price of $0.15 per common share for a period of three years on or before January 22, 2019, and are secured by a first charge against the assets of the Company. The debt instrument was recorded at amortized cost using the effective interest method at an annual discount rate of 8.28% over the life of the debenture of 3 years. The gross proceeds of $5,750,000 were allocated between the debt instrument for $5,413,842 and to the equity component for $336,158. Subsequent to December 31, 2018, the convertible debentures were extended to January 22, 2020.

(unaudited, expressed in Canadian dollars)

10. Convertible Debentures *(continued)*

c) On October 7, 2016, the Company completed a convertible debentures financing for gross proceeds of $6,000,000 in principal amount. The convertible debentures have a maturity date of October 7, 2018, bear interest at a rate of 6.0% per year payable annually, are convertible into common shares of the Company at the holder's option at a conversion price of $0.125 per common share for a period of two years on or before October 7, 2018, and are secured by a first charge against the assets of the Company. The debt instrument was recorded at amortized cost using the effective interest method at an annual discount rate of 8.28% over the life of the debenture of 2 years. The gross proceeds of $6,000,000 were allocated between the debt instrument for $5,756,983 and to the equity component for $243,017. The convertible debenture has an original maturity date of October 7, 2018. On November 15, 2018, the convertible debentures were extended to January 22, 2019 All items remained consistent with the original issuance other than the maturity date. As a result of the modification, a gain on the extension of $93,231 was recognized in the profit and loss. On Feb 7th, 2019, the convertible debentures were further extended to January 22, 2020.

d) On June 8, 2017, $30,000 Convertible debentures issued on January 22, 2016 were redeemed by the holder thereof. Interest of $2,471 was also paid to the holder of the debenture.

e) On Oct 31, 2017, $120,000 Convertible debentures issued on January 22, 2016 were redeemed by the holder thereof. Interest of $5,563 was also paid to the holder of the debenture.

11. Share capital

a) Authorized:
An unlimited number of common shares
An unlimited number of non-voting redeemable preferred shares

b) Issued and outstanding:

	Six months ended June 30, 2019		Year ended December 31, 2018	
	Number of shares	**Amount**	Number of shares	Amount
Balance, beginning and end of period	**58,857,656**	**$ 78,147,450**	58,857,656	$ 78,147,450

(unaudited, expressed in Canadian dollars)

12. Share-based payments

The Company has established a share-based compensation plan for its directors, officers, employees, consultants and other key personnel (the "Stock Option Plan"). Under the Stock Option Plan, the Company may grant up to 10% of the issued and outstanding common shares of the Company. The exercise price of each option is determined by the market price of the Company's stock on the date of the grant and an option's maximum term is five years and they vest immediately.

There were no stock options granted during 2018 and 2019.

As at June 30, 2019, 4,185,766 common shares (December 31, 2018 – 4,185,766) remains in reserve. Under the Stock Option Plan, the following options are outstanding as at the dates shown as follows:

	June 30, 2019		December 31, 2018	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of period	**1,100,000**	**$0.25**	1,700,000	$0.25
Cancelled / expired in the period			(600,000)	$0.25
Balance, end of period	**1,100,000**	**$0.25**	1,100,000	$0.25
Options exercisable at the end of the period	**1,100,000**	**$0.25**	1,100,000	$0.25

Since December 31, 2015 the share-based payments reserve with respect to share-based compensation is $7,186,107 and all of the options issued vested immediately on the grant date.

Stock option plan

The following table summarizes information of the Company's Stock Option Plan as at June 30, 2019:

	Options outstanding			Options exercisable	
Range of exercise price in dollars	Number outstanding	Weighted average remaining contractual life (months)	Weighted average exercise price	Number of options	Weighted average exercise price
up to $0.25	1,100,000	16.6	$0.25	1,100,000	$0.25

The following table summarizes information of the Company's Stock Option Plan as at December 31, 2018.

	Options outstanding			Options exercisable	
Range of exercise price in dollars	Number outstanding	Weighted average remaining contractual life (months)	Weighted average exercise price	Number of options	Weighted average exercise price
up to $0.25	1,100,000	16.6	$0.25	1,100,000	$0.25

(unaudited, expressed in Canadian dollars)

13. Contributed surplus

The following table presents the reconciliation of contributed surplus with respect to warrants and convertible debentures:

		June 30, 2019		December 31, 2018
Balance, beginning of period	**$**	**5,508,389**	$	5,507,196
Convertible debenture issued (net of tax)				1,193
Balance, ending of period	$	5,508,389	$	5,508,389

14. Per share amounts

The following table presents the reconciliation between basic and diluted loss per share:

For the six months ended June 30,	**2019**	2018
Net Income/loss for the period attributable to owners of the Company - Continued operations	**$ (1,097,736)**	$ (2,226,208)
Net Income/loss for the period attributable to owners of the Company - Discontinued operations	**-**	$ (1,392,935)
Weighted average number of common shares outstanding	**58,857,656**	58,857,656
Basic and diluted loss per share - Continued operations	**$ (0.02)**	$ (0.01)
Basic and diluted loss per share - Discontinued operations	**-**	$ (0.02)

In calculating diluted common share numbers for the six months period ended June 30, 2019, the Company excluded 1,100,000 outstanding options (2018 – 1,100,000*), and 147,833,333 (2018 - 148,833,333) shares issuable on conversion of convertible debentures because they were anti-dilutive.

15. Supplementary information

Change in non-cash working capital:

	For the three months ended June 30,				**For the six months ended June 30,**			
		2019		2018		**2019**		2018
Trade and other receivables	**$**	**20,878**	$	(29,973)	**$**	**4,849**	$	(37,760)
Inventory		**5,074**		62,437		**36,373**		117,633
Prepaid expenses and other		**(16,397)**		(29,316)		**(18,406)**		(22,089)
Trade and other payables		**(460,410)**		(80,396)		**(260,123)**		21,958
Customer deposits		**(9,443)**		470,495		**(228,060)**		709,689
Lease inducement		**-**		(2,886)		**-**		(5,773)
Warranty Provision				6,262				11,605
	$	**(460,298)**	$	396,623	**$**	**(465,367)**	$	795,263

(unaudited, expressed in Canadian dollars)

16. Related party transactions

The following transactions were entered into with related parties during the six months period ended June 30, 2019:

a) Officers and a private corporation controlled by an officer of the Company provided $10,433,754 of the total $17,850,000 principal of convertible debentures financing raised in 2015 and 2016. The Company incurred 6% coupon interest expense of $313,013 (2018 - $311,013) on the portion of these Convertible Debentures held by the related parties, of which $1,557,563 (2018 - $,931,538) is included in trade and other payables. The terms of these transactions with those related parties were the same as those with arms-length participants.

b) Key management personnel compensation - the Company considers the key management personnel of the Company to be its officers and directors. The compensation included in the consolidated statement of operations and comprehensive loss relating to key management personnel for the six months ended June 30, 2019 and years ended December 31, 2018 was as follows:

For the six months ended June 30,	**2019**	2018
Salaries / compensation	**48,000**	76,500
Share-based compensation	**-**	-
Total for the period	**$48,000**	$76,500

c) As at June 30, 2019, customer deposits with an associate, IDC Shanghai and IDC HK, are $997,615 (2018 -$1,234,008) and accounts payable with IDC Shanghai and IDC HK are $181,632 (2018 – $189,325).

d) On March 26, 2018, the Company entered into a short term loan with a private corporation controlled by the CEO for USD $80,000 (CDN $104,696). bear interest at a rate of 7% per year payable monthly, and is included in short term loan.

e) On March 6, 2019, the Company entered into a short term loan with the company directors for USD $142,550 (CDN $186,556) without interest. It is included in short term loan.

f) On May 15, 2019, the Company entered into a short term loan with the company CFO for CAD $15,000 without interest. On Jun 11, 2019, the Company entered into a short term loan with the company CFO for CAD $15,000 without interest. On Jun 30, 2019, the Company entered into a short term loan with the company CFO for CAD $30,000 without interest. They are included in short term loan.

(unaudited, expressed in Canadian dollars)

17. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development and sales of its digital imaging products and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

In the management of capital, the Company includes the components of shareholders' deficiency and the long-term debt which consists of the following:

	June 30, 2019	December 31, 2018
Convertible debentures	**$17,805,065**	$17,797,754
Shareholders' deficiency	**(19,041,114)**	(17,957,684)
	($1,236,049)	($159,930)

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new equity or issue new debt.

18. Financial risk management

The Company is exposed to a variety of financial risks by virtue of its activities, including fair value risk, currency risk, credit risk, interest rate risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is supervised by the Chief Executive Officer under the direction and guidance from the Company's Board of Directors. The Company identifies and evaluates financial risks in close cooperation with other management personnel. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Fair value risk:

Fair value of financial instruments:

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, current portion of long-term debt, deferred financing and loan payable approximate fair value due to the short-term nature of these instruments. The fair value of the convertible debenture is calculated by discounting future debt service payments using an estimated market rate of interest.

Any financial assets and financial liabilities measured at fair value (currently there are none) in the consolidated statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

(unaudited, expressed in Canadian dollars)

18. Financial risk management *(continued)*

Currency risk

The Company operates internationally and is exposed to foreign exchange risk from various currencies, primarily US Dollars and CNY. Foreign exchange risk arises from the purchase and sale transactions as well as financial assets and liabilities denominated in foreign currencies.

A significant change in the currency exchange rates between the Canadian dollar relative to the other currencies could have an effect on the Company's results of operations, financial position or cash flows. Foreign exchange contracts are only entered into for purposes of managing foreign exchange risk and not for speculative purposes. As at June 30, 2019 and December 31, 2018, there were no foreign exchange contracts outstanding.

At June 30, 2019, the Company is exposed to currency risk through the following assets and liabilities denominated in other currencies:

	US Dollars ($)	CNY (¥)
Cash and equivalents	12,251	1,903
Trade accounts and loans receivable	2,287	50,000
Trade accounts and loans payable	(936,527)	-
	(921,989)	51,903

At December 31, 2018, the Company is exposed to currency risk through the following assets and liabilities denominated in other currencies:

	US Dollars ($)	CNY (¥)
Cash and equivalents	68,153	1,903
Trade accounts and loans receivable	5,975	50,000
Trade accounts and loans payable	(391,395)	-
	(317,267)	51,903

Based on the above net exposures as at June 30, 2019 and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against other currencies would result in an increase or decrease of approximately $119,671 (2018 - $122,929) in the Company's net loss for the year.

(unaudited, expressed in Canadian dollars)

18. Financial risk management *(continued)*

Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company manages credit risk by maintaining bank accounts with Tier 1 banks. Any short-term investment included in cash and cash equivalents would be composed of financial instruments issued by Canadian banks. The Company's trade and other receivables consist of trade receivables from the sale of the product. Trade receivables include amounts receivable for normal terms and extended terms, which are generally made to credit worthy purchasers. The Company uses an indirect distribution strategy whereby substantially all of the Company's revenues are earned through dealers, distributors and OEM partners.

Most of the Company's distribution partners have income streams from various sources and have an established history of providing goods and services to the health care industry. The Company does not usually sell to the end user and as such has limited recourse in collecting any delinquent balances. In cases where collection is in question, the Company has the ability to withhold warranty support or warranty parts to a dealer that has not paid, remove the dealer as a qualified Company dealer, as well as any and all legal recourse measures.

At June 30, 2019, the Company recognized an allowance for doubtful accounts of $205,259 (2018- $205,507). The bad debt provision as at June 30, 2019 is net of amounts collected from amounts for which provisions had previously been recorded.

The carrying amount of trade and other receivables and cash and cash equivalents represents the maximum credit exposure.

Aging of trade receivables as at June 30, 2019 and December 31, 2018 is represented as follows:

As at		**June 30, 2019**		December 31, 2018
Not past due	**$**	**2,539**	$	2,530
Past due 31 - 180 days		**469**		5,714
Past due 181 - 365 days		**-**		-
Over 365 days		**205,244**		278,435
		208,252		286,679
Allowance for doubtful accounts		**(205,259)**		(278,837)
	$	**2,993**	$	7,842

The movement in the Company's allowance for doubtful accounts is as follows:

As at		**June 30, 2019**		December 31, 2018
Opening balance	**$**	**278,837**		$2,303,498
Discontinued operations				(2,086,675)
Bad debt expense				79,093
Foreign Exchange		**(73,578)**		(17,079)
Closing balance	**$**	**205,259**	$	278,837

(unaudited, expressed in Canadian dollars)

18. Financial risk management *(continued)*

Economic Dependence

Five customers represented 78% of the total revenue during the six months ended June 30, 2019 as compared to three customers representing 58.2% during the year ended December 31, 2018.

There is no dependent suppliers during the six months ended June 30, 2019 andthe year ended December 31, 2018.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The risk related to the Company's long-term debt is limited due to the fixed interest rate.

The risk that the Company will realize a loss as a result of a decline in the fair value of any short-term investments included in cash and cash equivalents is limited due to the short-term nature of the assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due (see Note 2). The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company.

The Company currently settles its financial obligations with cash. In order to meet its financial liabilities, the Company relies on collecting its trade and other receivables in a timely manner, sale of inventory and by maintaining sufficient cash in excess of anticipated needs.

The following are the contractual maturities of financial liabilities and other commitments as at June 30, 2019.

Financial liabilities and commitment	< One year	> One year
Convertible debenture	$17,805,065	-
Trade and other payables	$3,584,343	-
Total	$21,389,408	-

The following are the contractual maturities of financial liabilities and other commitments as at December 31, 2018:

Financial liabilities and commitment	< One year	> One year
Convertible debenture	$17,797,754	-
Trade and other payables	$3,302,136	-
Total	$21,099,890	-

(unaudited, expressed in Canadian dollars)

18. Financial risk management *(continued)*

It is the Company's intention to meet these obligations through the collection of trade and other receivables, sale of inventory and the receipt of future progress payments on amounts not yet invoiced, as well as looking for other external financing sources.

19. Revenue

	Sale of Equipment	Technical Support	Total
Three months ended June 30,			
2019	**$76,242**	**$529**	**$76,771**
2018	$237,810	$13,883	$251,693
Six months ended June 30,			
2019	**$387,014**	**$4,639**	**$391,653**
2018	$445,983	$19,443	$465,426

20. Segmented information

The Company determines its operating segments based on internal information regularly reviewed by management to allocate resources and assess performance. The Company is organized into three sales geographic areas consisting of China, the Americas and others. These regions are organized to manage sales and distribution channels and are not currently maintained or managed as operating regions.

The Company sells primarily through dealers, distributors and OEM partners.

Segmented revenues for the three and months period ended June 30, 2019 and 2018 are as follows:

	Note	China	Americas	Others	Total
Three months ended June 30,					
2019			**$68,085**	**$8,686**	**$76,771**
2018	21	$51,432	$186,688	$13,573	$251,693
Six months ended June 30,					
2019		**$197,040**	**$147,787**	**$46,826**	**$391,653**
2018	21	$111,211	$325,558	$28,657	$465,426

21. Investment in associate

During prior year 2017, Shanghai IDC Healthcare Co. ("IDC Shanghai"), a wholly owned subsidiary, entered into a financing arrangement in China and resulted in the Company losing control of IDC Shanghai. The transaction was closed on May 2nd, 2018. The Company held 20% of the voting shares in IDC Shanghai after the financing arrangement and presumed has a significant influence in IDC Shanghai. Therefore, the equity method was adopted whereby the investment is initially derecognized at cost as $5,735,317, which was the net assets of the entity at May 2, 2018. The fair market value of IDC Shanghai at May 2, 2018 is $4,637,520, resulting in a gain on the loss of control of $ 10,372,837 and a loss of $2,196,837 from discontinued operations.

(unaudited, expressed in Canadian dollars)

21. Investment in associate *(continued)*

As at June 30, 2019 and December 31, 2018, a loss in the equity investment of $ 159,155 and $ 1,037,944 respectively are recognized and adjusted thereafter for the post-acquisition change in 20% of IDC Shanghai's net assets. The Company's loss includes 20% of the IDC Shanghai's net loss included comprehensive loss. The changes in 20% of IDC Shanghai's net assets and net loss included in the Company's income and investment are as follows:

	June 30, 2019	December 31, 2018
Current Assets	$ 12,788,542	$ 12,473,030
Non current assets	1,726,709	4,413,664
Total Assets	14,515,251	16,886,694
Current Liabilities	13,082,938	12,603,001
Total Liabilities	13,082,938	12,603,001
Equity	922,312	4,283,694
Total equity and liability	14,005,250	16,886,695
Revenue	318,831	1,927,340
Expense	2,030,045	6,422,682
Net loss	(1,711,214)	(4,495,342)
20% of net loss in IDC Shanghai	$ (342,243)	$ (899,068)
Other comprehensive loss	$ 71,531	$ (694,377)
20% of other comprehensive loss in IDC Shanhai	$ 14,306	$ (138,875)

	June 30, 2019	December 31, 2018
Investment in associate	$ 3,599,576	$ 4,637,520
Net loss	(342,243)	(899,068)
Other comprehensive income	14,306	(138,875)
Accumulated net change in IDC Shanghai net assets	$ 3,271,640	$ 3,599,576