

28 May 2021

Vanessa Nevjestic  
Adviser, Listings Compliance (Perth)  
Australian Securities Exchange  
By email: [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au)

Dear Vanessa

**Advanced Human Imaging Limited (ASX:AHl): Tinjoy Biotech Limited – Query**

Advanced Human Imaging Limited (**AHI** or the **Company**) refers to ASX's query letter dated 27 May 2021 and provides the following responses to the specific queries set out in that letter (using the numbering from your query letter).

Capitalised terms which are defined in ASX's query letter have the same meaning where used in this letter unless the context requires otherwise.

1. 1.a. AHI's statements in the First and Second Announcement that "Tinjoy has a captive audience of 28,000,000" were based on the following representations from Tinjoy:
  - Tinjoy has access to a total of approximately 52,500,000 potential customers from the following groups:
    - approximately 5,500,000 potential customers from its existing customers for its supplements and traditional Chinese medicine products that Tinjoy already has a repeat relationship with (for example, because they have purchased a Tinjoy product and their details are maintained within one or more of Tinjoy's or a related party's systems);
    - approximately 10,000,000 potential customers through an agreement to provide a white labelled version of the WinScan platform with a Chinese municipal government health authority that serves in excess of 10,000,000 customers annually through the Chinese public healthcare system;
    - approximately 15,000,000 potential customers through an agreement with a Chinese government owned insurance group to provide a white labelled version of the WinScan platform to policy holders in the 18 to 45 year age bracket (this age group totals more than 15,000,000 policy holders of more than 146 million policy holders in total); and
    - approximately 22,000,000 potential customers through an agreement with a major Chinese development bank to provide a white labelled version of the WinScan platform to its customers (the bank has a total customer base of 90,000,000 credit card holders, and Tinjoy has identified an initial target cohort of approximately 22,000,000 of the bank's higher income credit card holders).

- Tinjoy has identified target groups within the above 52,500,000 accessible customers to establish an estimated customer base of 28,000,000, which it considered to be conservative.
- 1.b. Tinjoy's customer base is described as a "captive audience" on the basis that Tinjoy either directly controls or has preferential access to these customer relationships based on commercial relationships (either directly with its own customers or through the agreements referred to in the response to question 1.a. above. For context, Tinjoy considers that this potential user base is considered relatively small by domestic Chinese standards.
2. AHI has entered into the following agreements with Tinjoy which were referred to in the suite of agreements listed in the "Formal Agreements to be concluded" section of the Summary of Material Terms in the First Announcement:
- the Commercial Agreement; and
  - Software Development Kit End User License Agreement.
- These agreements were executed on 11 March 2021.
- The other agreements referred to in the suite of agreements listed in the "Formal Agreements to be concluded" section of the Summary of Material Terms in the First Announcement (being the Support Agreement and the Data Processing Agreement) have not yet been executed.
3. AHI has not updated the market on whether it has or has not concluded the agreements referred to in the "Formal Agreements to be concluded" section of the Summary of Material Terms in the First Announcement because AHI considers that the key formal agreements (being the Commercial Agreement and the Software Development Kit End User License Agreement) have been executed, and the remaining agreements (being the Support Agreement and the Data Processing Agreement) are more administrative in nature – these agreements will be finalised and executed prior to launch of the integrated product.
4. 4.a. No, AHI has not been provided with monthly turnover or average monthly user numbers for the WinScan business for Tinjoy since its launch.
- 4.b. Companies that generate revenue through active users and site traffic usually treat this data as commercially sensitive and do not provide this data when negotiating partnership agreements. AHI is concerned with (and will be remunerated based on) the potential for prospective revenue and active users once AHI's CompleteScan platform is integrated with the WinScan platform, rather than historical data. Accordingly, AHI considers that the material information for AHI in its due diligence (and the material information for disclosure to the market) was the potential users from the pool of identified "captive" users referred to in the First and Second Announcements.

Consistent with the above, AHI notes that the First Announcement included statements that AHI:

- “does not expect any immediate material financial return as a result of entering into this agreement” (being the Terms Sheet); and
- “expects to start generating licence and other fees from the commercial arrangement in the future (which cannot be forecast at this time)”.

AHI will consider active user information and site traffic data for the WinScan platform once it has been integrated with AHI's CompleteScan platform in considering whether it wishes to proceed with the option to acquire an interest in the WinScan platform.

4.c. Please refer to the response to question 4.b. above.

AHI marked the First and Second Announcements to be “price-sensitive” at lodgement because, in the opinion of AHI, the announcement of an agreement to integrate the CompleteScan platform into the WinScan platform (and any associated agreements):

- can reasonably be expected to have a material effect on the price or value of the entity's securities; and
- would influence persons who commonly invest in AHI's securities in deciding whether to acquire or dispose of the securities.

5. The Company confirms that it is complying with the listing rules, in particular listing rule 3.1.
6. The Company's above responses have been authorised and approved in accordance with its published continuous disclosure policy and by its board.

Should you require any further clarification please do not hesitate to contact the undersigned.

Yours sincerely,



**Steven Richards**  
Company Secretary  
& Chief Financial Officer  
Advanced Human Imaging Limited



27 May 2021

Reference: ODIN34781

Mr Steven Richards  
Company Secretary  
Advanced Human Imaging Ltd  
Suite 8, 7 The Esplanade  
Mt Pleasant, Western Australia 6153

By email: steven.richards@advancedhumanimaging.com

Dear Mr Richards

### **Advanced Human Imaging Limited ('AHI') (formerly MyFiziq Limited): Query Letter**

ASX refers to the following:

- A. AHI's announcement entitled "MyFiziq Signs Binding Term Sheet with China-based, Tinjoy", lodged on the ASX Market Announcements Platform ('MAP') on 18 February 2021 (the '**First Announcement**') and marked as price-sensitive by AHI, which relevantly disclosed that (emphasis added):
- i. AHI had signed a binding term sheet (the '**Term Sheet**') with Tinjoy Biotech Limited ('**Tinjoy**') to integrate the 'MyFiziq CompleteScan' platform into Tinjoy's 'WinScan Digital Health Platform' ('**WinScan**' or the '**WinScan Application**').
  - ii. Tinjoy *"is servicing over 28,000,000 monthly customers" / "has a captive audience of over 28,000,000 consumers within China."*
  - iii. *"Tinjoy directly owns and services 650 Dongchen pharmacies across China"*
  - iv. *"Dongchen services 3,500,000 monthly repeat customers."*
  - v. *"MyFiziq has a right to acquire up to 40% of Tinjoy's WinScan Platform, priced at a valuation of USD\$10m taking for consideration to be approximately US\$ 2-4 million this can be in cash or shares in MyFiziq or a combination as mutually agreed."*
  - vi. *"12- 24-month option to take up the 40% at MyFiziq's option to acquire a holding in WinScan. The option would be triggered should WinScan achieve user numbers of 5m users a month. This would trigger a 20% investment of USD\$2m from MyFiziq."*
  - vii. *"If WinScan achieves a user base of 10m monthly users MyFiziq would be required to take up a 40% stake in WinScan at an agreed investment of USD\$4m."*
  - viii. AHI and Tinjoy would conclude a suite of agreements comprising a "main commercial agreement" and "supporting agreements", being a Commercial Agreement, Software Development Kit, End-User License Agreement, Support Agreement, and Data Processing Agreement. Each agreement was required to be completed "no later than 3<sup>rd</sup> April 2021".
- B. AHI's announcement entitled "AHI signs marketing agreement with Tinjoy Biotech Limited" lodged on MAP on 26 April 2021 (the '**Second Announcement**') and marked by AHI as "price-sensitive", which relevantly disclosed that (emphasis added):
- i. AHI had signed a marketing agreement (the '**Marketing Agreement**') with Tinjoy, in anticipation of the "launch in July 2021 of the fully integrated WinScan Application that will feature BodyScan and FaceScan".

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- ii. ***“WinScan was launched by Tinjoy in 2020 to expand the company’s digital presence in China. Tinjoy has a captive audience of over 28,000,000 consumers within China...”***

C. Guidance note 14 to the ASX listing rules, which provides (relevantly):

*“An announcement for release to the market must also be couched in language that is appropriate for release to the market. It should be factual, relevant and expressed in a clear and objective manner. Emotive, intemperate or defamatory language should not be used, nor should vague or imprecise expressions such as “single digit” or “double digit”, which do not allow investors to assess the value of the information for the purpose of making an investment decision.”*

### **Request for information**

Having regard to the above, ASX asks AHI to respond separately to each of the following questions and requests for information:

1. What is the basis for the statements in the First and Second Announcements that “Tinjoy has a captive audience of 28,000,000”, specifically:
  - a. How was the figure arrived at?
  - b. Why are Tinjoy’s customers described as a “captive audience”?
2. Did AHI and Tinjoy conclude any of the agreements referred to in the summary of material terms of the Term Sheet by 3 April 2021?
3. Why has AHI not updated the market on whether it has or has not concluded the agreements referred to in the summary of material terms in the Term Sheet by 3 April 2021?
4. If Tinjoy launched WinScan in China in 2020:
  - a. Is AHI aware of monthly turnover, average monthly user numbers, or some other comparable metric for assessing the commercial significance of the WinScan business for Tinjoy since its launch? If so, please provide those details.
  - b. If the answer to question 5 a is “no”, why was this information not part of AHI’s due diligence process?
  - c. Noting that AHI marked the First and Second Announcements as “price-sensitive” on lodgement, and that the Term Sheet indicates that the number of active users will trigger an option to acquire an interest in WinScan, why did AHI not consider these metrics to be relevant to assessing the impact of the agreement with Tinjoy on the price or value of its securities and so include them in its disclosure to date?
5. Please confirm that AHI is complying with the listing rules and, in particular, listing rule 3.1.
6. Please confirm that AHI’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AHI with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AWST Monday, 31 May 2021**. You should note that if the information requested by this letter is information required to be given to ASX under listing rule 3.1 and it does not fall within the exceptions mentioned in listing rule 3.1A, AHI’s obligation is to disclose the information ‘immediately’. This

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may require the information to be disclosed before the deadline set out in the previous paragraph and may require AHI to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AHI's securities under listing rule 17.1. If you require a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AHI's securities under listing rule 17.3.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to AHI's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that AHI's obligation to disclose information under listing rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

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**Vanessa Nevjestic**  
Adviser, Listings Compliance (Perth)