ASLAN Pharmaceuticals Limited and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2018 and 2017 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
ASLAN Pharmaceuticals Limited

Opinion

We have audited the accompanying consolidated financial statements of ASLAN Pharmaceuticals Limited and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter for the consolidated financial statements for the year ended December 31, 2018 is as follows:

Assessment of Impairment Indicator for Intangible Assets

As stated in Note 10 to the consolidated financial statements, the intangible assets which the Group acquired from external third parties were mainly the exclusive and worldwide rights to develop, manufacture and commercialize varlitinib. As of December 31, 2018, the carrying amounts of licenses were NT$705 million and accounted for 44% of total assets. Thus, we consider them material to the consolidated financial statements as a whole.

According to the guidance of International Accounting Standards 36 "Impairment of Assets", intangible assets with indefinite useful lives should be tested for impairment annually and more frequently when there is an indication that the assets might be impaired. Management consider both internal and external information on balance sheet date to assess whether such indicator of impairment exists. Since the indicator of impairment involves consideration and judgement made by management regarding various information, and the carrying amounts of aforementioned assets are significant, we consider the assessment of impairment indicator for intangible assets as a key audit matter. See Note 4 h. for related accounting policy and Note 5 b. for uncertainty arising from accounting estimates and assumptions of impairment assessment of intangible assets.

We addressed the above key audit matter by performing following procedures:

1. We gained an understanding of the Group's impairment assessment process for intangible assets. We also evaluated the design and implementation, and tested operating effectiveness of relevant controls.

2. We evaluated the product characteristic and market trend information for research and development technologies to ensure that the major research and development technology is still competitive in current market.

3. We obtained research and development plan and current progress for various project to ensure that the progress of major research and development project has no significant delay.

4. We obtained valuation report, which was issued by independent outside expert engaged by management, and evaluated the reasonableness of critical assumptions.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Dien Sheng Chang and Yi Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2019

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018		2017	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 883,598	55	$ 1,499,784	99
Prepayments	5,612	-	2,134	-
Total current assets	889,210	55	1,501,918	99
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 4 and 7)	1,834	-	-	-
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	5,723	-	-	-
Property, plant and equipment (Notes 4 and 9)	8,815	1	13,154	1
Intangible assets (Notes 4, 10 and 15)	705,456	44	2,493	-
Refundable deposits	5,260	-	4,773	-
Total non-current assets	727,088	45	20,420	1
TOTAL	$ 1,616,298	100	$ 1,522,338	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables	$ 162,475	10	$ 115,607	8
Other payables (Notes 11 and 19)	81,995	5	61,699	4
Total current liabilities	244,470	15	177,306	12
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 12)	427,138	26	287,051	19
Other non-current liabilities (Note 19)	8,852	1	4,804	-
Total non-current liabilities	435,990	27	291,855	19
Total liabilities	680,460	42	469,161	31
EQUITY (Note 14)				
Ordinary shares	1,602,489	99	1,301,289	85
Capital surplus	3,469,709	215	2,660,223	175
Accumulated deficits	(4,045,093)	(250)	(2,774,134)	(182)
Other equity	(91,267)	(6)	(134,201)	(9)
Total equity	935,838	58	1,053,177	69
TOTAL	$ 1,616,298	100	$ 1,522,338	100

The accompanying notes are an integral part of the consolidated financial statements.

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2018		2017	
	Amount	%	Amount	%
OPERATING EXPENSES (Notes 13, 16 and 19)				
General and administrative expenses	$ (316,755)	-	$ (265,321)	-
Research and development expenses	(959,099)	-	(920,311)	-
Total operating expenses	(1,275,854)	-	(1,185,632)	-
LOSS FROM OPERATIONS	(1,275,854)	-	(1,185,632)	-
NON-OPERATING INCOME AND EXPENSES				
Interest income	8,084	-	11,000	-
Other income (Note 15)	5,641	-	-	-
Other gains and losses (Note 16)	6,425	-	(21,165)	-
Finance costs (Notes 4 and 16)	(14,820)	-	(12,623)	-
Total non-operating income and expenses	5,330	-	(22,788)	-
LOSS BEFORE INCOME TAX	(1,270,524)	-	(1,208,420)	-
INCOME TAX EXPENSE (Notes 4, 5 and 17)	(435)	-	-	-
NET LOSS FOR THE YEAR	(1,270,959)	-	(1,208,420)	-
OTHER COMPREHENSIVE INCOME/(LOSS) (Note 14)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	42,934	-	(103,331)	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	$ (1,228,025)	-	$ (1,311,751)	-
LOSS PER SHARE (Note 18)				
Basic	$ (8.49)		$ (9.71)	

The accompanying notes are an integral part of the consolidated financial statements.

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Ordinary Shares (Note 14)		Capital Surplus (Note 14)				Exchange Differences on Translating Foreign	
	Shares	Amount	Ordinary Shares	Share Options Reserve	Total	Accumulated Deficits	Operations (Note 14)	Total Equity
BALANCE AT JANUARY 1, 2017	115,670,940	$ 1,156,709	$ 1,624,246	$ 160,748	$ 1,784,994	$ (1,565,714)	$ (30,870)	$ 1,345,119
Issuance of new share capital (Notes 14 and 19)	14,458,000	144,580	852,160	(245)	851,915	-	-	996,495
Recognition of employee share options by the Company (Note 19)	-	-	-	23,314	23,314	-	-	23,314
Net loss for the year ended December 31, 2017	-	-	-	-	-	(1,208,420)	-	(1,208,420)
Other comprehensive loss for the year ended December 31, 2017, net of income tax	-	-	-	-	-	-	(103,331)	(103,331)
Total comprehensive loss for the year ended December 31, 2017	-	-	-	-	-	(1,208,420)	(103,331)	(1,311,751)
BALANCE AT DECEMBER 31, 2017	130,128,940	1,301,289	2,476,406	183,817	2,660,223	(2,774,134)	(134,201)	1,053,177
Issuance of new share capital (Note 14)	30,000,000	300,000	956,108	-	956,108	-	-	1,256,108
Transaction costs attributable to the issuance of ordinary shares	-	-	(160,479)	-	(160,479)	-	-	(160,479)
Issuance of ordinary shares under employee share option plan (Note 19)	120,000	1,200	1,282	(1,014)	268	-	-	1,468
Recognition of employee share options by the Company (Note 19)	-	-	-	13,589	13,589	-	-	13,589
Net loss for the year ended December 31, 2018	-	-	-	-	-	(1,270,959)	-	(1,270,959)
Other comprehensive income for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	42,934	42,934
Total comprehensive loss for the year ended December 31, 2018	-	-	-	-	-	(1,270,959)	42,934	(1,228,025)
BALANCE AT DECEMBER 31, 2018	160,248,940	$ 1,602,489	$ 3,273,317	$ 196,392	$ 3,469,709	$ (4,045,093)	$ (91,267)	$ 935,838

The accompanying notes are an integral part of the consolidated financial statements.

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (1,270,524)	$ (1,208,420)
Adjustments for:		
Depreciation expenses	7,092	6,087
Amortization expenses	192	274
Finance costs	14,820	12,623
Interest income	(8,084)	(11,000)
Compensation costs of share-based payment transactions	38,857	34,128
Loss on disposal of property, plant and equipment	-	949
Unrealized (gain) loss on foreign exchange, net	(7,740)	21,162
Gain on disposal of licensed rights	(5,641)	-
Changes in operating assets and liabilities		
Increase in financial assets mandatorily classified as at fair value through profit or loss	(1,808)	-
Decrease in accounts receivable	-	41,867
(Increase) decrease in prepayments	(3,364)	764
Increase in trade payables	42,705	41,942
(Decrease) increase in other payables	(3,282)	6,520
Cash used in operations	(1,196,777)	(1,053,104)
Interest received	8,084	11,000
Income tax paid	(435)	-
Net cash used in operating activities	(1,189,128)	(1,042,104)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(2,418)	(8,828)
Payments for intangible assets	(693,027)	(268)
Increase in refundable deposits	(335)	(736)
Net cash used in investing activities	(695,780)	(9,832)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	122,330	6,922
Proceeds from new share capital	1,256,108	996,495
Proceeds from exercise of employee share options	1,468	-
Payments for transaction costs attributable to the issuance of ordinary shares	(160,479)	-
Net cash generated from financing activities	1,219,427	1,003,417

(Continued)

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	$ 49,295	$ (125,603)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(616,186)	(174,122)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,499,784	1,673,906
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 883,598	$ 1,499,784

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

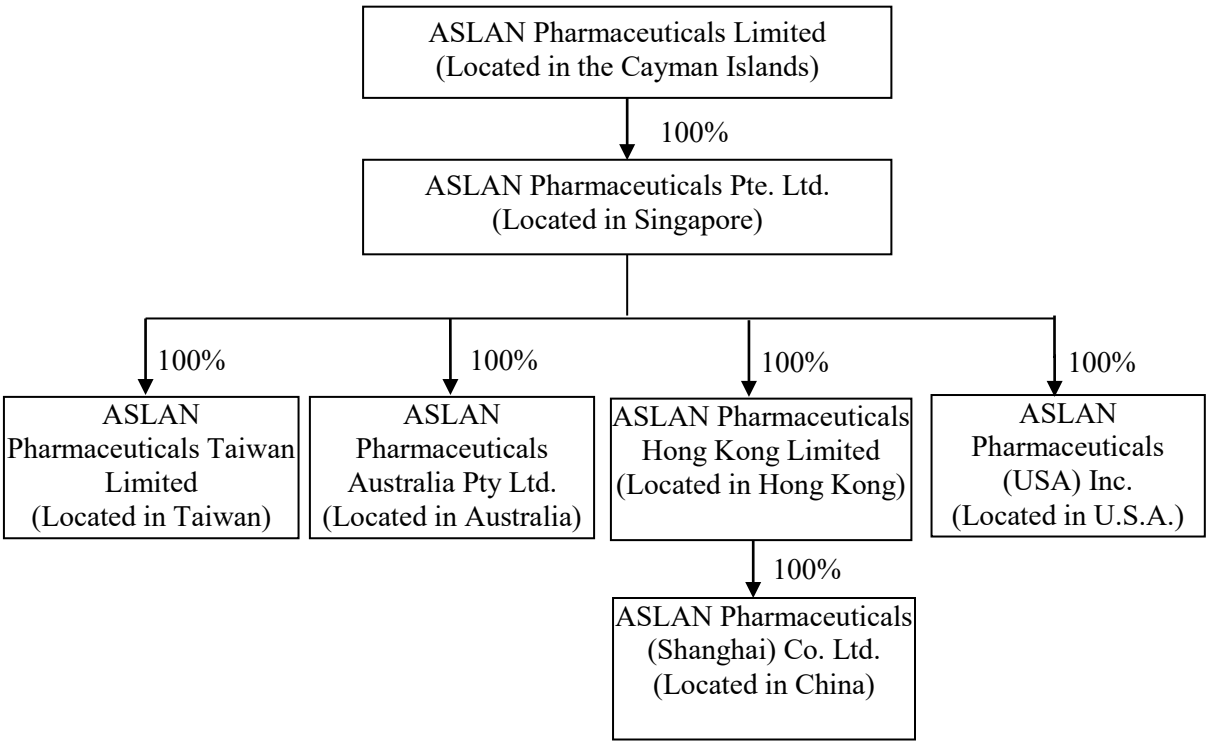
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

ASLAN Pharmaceuticals Limited (the "Company") was incorporated in the Cayman Islands in June 2014 as the listing vehicle for the initial public offering and listing on the Taipei Exchange ("TPEx") in Taiwan. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the development of novel drugs for Asia prevalent cancers.

The main businesses and intragroup relationships of the Group were as follows as of December 31, 2018:

Name	Place of Incorporation	Date of Incorporation	Main Business
ASLAN Pharmaceuticals Limited	Cayman Islands	June 2014	Investment holding
ASLAN Pharmaceuticals Pte. Ltd.	Singapore	April 2010	New drug research and development
ASLAN Pharmaceuticals Taiwan Limited	Taiwan	November 2013	New drug research and development
ASLAN Pharmaceuticals Australia Pty Ltd.	Australia	July 2014	New drug research and development
ASLAN Pharmaceuticals Hong Kong Limited	Hong Kong	July 2015	New drug research and development
ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	China	May 2016	New drug research and development
ASLAN Pharmaceuticals (USA) Inc.	United States of America	October 2018	New drug research and development



The Company's shares have been listed on the TPEx since June 1, 2017. In addition, the Company also increased capital through a new share issuance by a depositary institution in order to sponsor its issuance of American Depositary Shares ("ADSs"), which have been listed on the Nasdaq Global Market, on May 4, 2018.

The functional currency of the Company is the U.S. dollar. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in the New Taiwan dollar in accordance with the TPEx requirements.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 22, 2019.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group's accounting policies:

IFRS 15 "Revenue from Contracts with Customers" and related amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers and supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Refer to Note 4 for related accounting policies.

Under IFRS 15, the Group recognizes revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Prior to the application of IFRS 15, the Group recognized revenue when the Group transferred the significant risks and rewards of ownership to the buyer.

IFRS 15 provides guidance to clarify the categorization of licenses of intellectual property and on whether revenue is to be recognized over time or at a point in time. Under IFRS 15, when the nature of the Group's promise in granting a license is to provide a right to access the Group's intellectual property, revenue is recognized over time if all of the following criteria are met. Otherwise, the promise is to provide a right to use the Group's intellectual property as it exists at the point in time at which the license is granted and revenue is recognized when the license is transferred.

1) The contract requires, or the customer reasonably expects, the Group to undertake activities that significantly affect the intellectual property to which the customer has rights.

2) The rights granted by the license directly expose the customer to any positive or negative effects of the above activities.

3) Those activities do not result in the transfer of a good or a service to the customer as the activities occur.

Prior to the application of IFRS 15, license fees and royalties paid for the use of the Group's assets are normally recognized in accordance with the substance of the agreement. An assignment of rights for a fixed fee or non-refundable guarantee under a non-cancellable contract which permits the licensee to exploit those rights freely and the Group has no remaining obligations to perform is, in substance, a sale. In such cases, revenue is recognized at the time of sale. Otherwise, revenue is recognized on a straight-line basis over the life of the agreement. In some cases, whether or not a license fee or royalty will be received is contingent on the occurrence of a future event. In such cases, revenue is recognized only when it is probable that the license fee or royalty will be received, which is normally when the event has occurred.

The Group elected only to retrospectively apply IFRS 15 to contracts that were not complete as of January 1, 2018 and had no cumulative effect of retrospectively applying IFRS 15 in the retained earnings on January 1, 2018.

b. Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC for application starting from 2019

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 "Prepayment Features with Negative Compensation"	January 1, 2019 (Note 2)
IFRS 16 "Leases"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019 (Note 3)
Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The FSC permits the election for early adoption of the amendments starting from 2018.

Note 3: The Group shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

IFRS 16 "Leases"

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17, IFRIC 4 and a number of related interpretations.

Definition of a lease

Upon initial application of IFRS 16, the Group will elect to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 will not be reassessed and will be accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

Upon initial application of IFRS 16, the Group will recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value and short-term leases will be recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group will present the depreciation expense charged on right-of-use

assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Currently, payments under operating lease contracts are recognized as expenses on a straight-line basis. Cash flows for operating leases are classified within operating activities on the consolidated statements of cash flows.

The Group anticipates applying IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

Lease liabilities will be recognized on January 1, 2019 for leases currently classified as operating leases with the application of IAS 17. Lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets will be measured at an amount equal to the lease liabilities. The Group will apply IAS 36 to all right-of-use assets.

The Group expects to apply the following practical expedients:

1) The Group will apply a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

2) The Group will account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

3) The Group will exclude initial direct costs from the measurement of right-of-use assets on January 1, 2019.

4) The Group will use hindsight, such as in determining lease terms, to measure lease liabilities.

Anticipated impact on assets and liabilities

	Carrying Amount as of December 31, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Total effect on assets (right-of-use assets)	$ -	$ 9,898	$ 9,898
Lease liabilities - current	$ -	$ 6,695	$ 6,695
Lease liabilities - non-current	$ -	3,203	$ 3,203
Total effect on liabilities		$ 9,898	

Except for the above impacts, as of the date the consolidated financial statements were authorized for issue, the Group believes that the application of other standards and interpretations will not have material impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 2)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and accounts payable arising from cash-settled share-based payment arrangements which are measured at fair value.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation.

See Table 5 and 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and the group entities are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income. The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the group entities into the presentation currency, are not subsequently reclassified to profit or loss.

f. Property, plant and equipment

Property, plant and equipment are stated at cost, less recognized accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the respective asset and is recognized in profit or loss.

g. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost, less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost, less accumulated impairment loss.

2) Internally-generated intangible assets - research and development expenditures

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the development phase of an internal project is recognized only if all of the following have been demonstrated:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) The intention to complete the intangible asset and use or sell it;

c) The ability to use or sell the intangible asset;

d) The manner in which intangible asset will generate probable future economic benefits;

e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when an intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets in order to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available are not subject to amortization, but are tested annually for impairment or more frequently if there are indicators of impairment. In respect of the impairment indicators, the Group considers both internal and external sources of information to determine whether an asset may be impaired, which may include the significant underperformance of the business in relation to expectations, significant negative industry or economic trends, and significant changes or planned changes with adverse effects in the use of the assets, as well as the internal reporting which indicates the economic performance of an asset is worse than expected. If any such indicators exist, the Group will estimate the recoverable amount of such indefinite-lived intangible asset and compare it with its carrying amount.

The recoverable amount is the higher of fair value, less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

i. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (i.e., FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

2018

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at fair value through other comprehensive income (i.e., FVTOCI).

i. Financial assets at FVTPL

Derivative financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 22.

ii. Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the financial assets measured at amortized cost (including cash and cash equivalents and refundable deposits), the Group applies the effective interest method to the gross carrying amount at amortized cost less any impairment from initial recognition. Any foreign exchange gains and losses are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2017

Financial assets are classified as loans and receivables.

Loans and receivables (including cash and cash equivalents and refundable deposits) are measured using the effective interest method at amortized cost less any impairment.

Cash equivalents include highly liquid investments which are readily convertible to a known amount of cash and subject to an insignificant risk of change in value.

b) Impairment of financial assets

2018

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost.

For financial instruments, the Group recognizes lifetime expected credit losses (i.e., ECLs) when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2017

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected.

For financial assets measured at amortized cost, such as accounts receivable, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually.

For a financial asset measured at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment (at the date the impairment is reversed) does not exceed what the amortized cost would have been had the impairment not been recognized.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract, such as a default or delinquency in interest or principal payments, and if it becomes probable that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets, with the exception of accounts receivable and other receivables where the carrying amount is reduced through the use of an allowance account. When accounts receivable and other receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Except for uncollectible trade receivables and other receivables that are written off against the allowance account, changes in the carrying amount of the allowance account are recognized in profit or loss.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Before 2018, on derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. Starting from 2018, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by a group entity are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

No gain or loss is recognized in profit or loss on the issuance of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

j. Revenue recognition

2018

Revenue comprises the fair value of the consideration received or receivable for the out-licensing of experimental drugs that have reached 'proof of concept' to business partners for ongoing global development and launch, in the ordinary course of our activities. Revenue is presented, net of goods and services tax, rebates and discounts. See Note 15 for details of the Group's licensing agreements.

The group recognizes revenue when it has completed the out-licensing of the experimental drug to business partners, and such partners have accepted the products. Thus, the collectability of the related receivables is reasonably assured.

Typically the consideration received from out-licensing may take the form of upfront payments, option payments, milestone payments, and royalty payments on licensed products. To determine revenue recognition for contracts with customers, the Group performs the following five steps:

1) Identify the contract with a customer;

2) Identify the performance obligations in the contract;

3) Determine the transaction price;

4) Allocate the transaction price to the performance obligations in the contract; and

5) Recognize revenue when (or as) the Group satisfies the performance obligations.

At the inception of a contract, the Group assesses the goods or services promised within each contract to determine whether each promised good or service is distinct and identify those that are performance obligations. The Group recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Upfront License Fees

If a license to the Group's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Group will recognize revenues from non-refundable, upfront fees allocated to the license when the license is transferred to the licensee and the licensee is able to use and benefit from the license. For licenses that are bundled with other performance obligations, the Group uses judgment to assess the nature of the combined performance obligation to determine whether it is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue. The Group evaluates the measure of progress at the end of each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

Milestone Payments

At the inception of each contract with customers that includes development or regulatory milestone payments (i.e., the variable consideration), the Group includes some or all amount of variable consideration in the transaction price estimated only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty related to the variable consideration is subsequently resolved. Milestone payments that are contingent upon the achievement of events that are uncertain or not controllable, such as regulatory approvals, are generally not considered highly probable of being achieved until those approvals are received. Therefore, they are not included in the transaction price. At the end of each reporting period, the Group evaluates the probability of achievement of such milestone payments and any related constraints and, if necessary, adjusts our estimate of the overall transaction price.

Royalties

For arrangements that include sales-based royalties, including commercial milestone payments based on the level of sales, and for which the license is deemed to be the predominant item to which the royalties relate, the Group recognizes revenue at the later of the following:

1) when the subsequent sales occur, or

2) when the performance obligation, to which some or all of the royalty has been allocated, has been satisfied (or partially satisfied).

To date, the group has not recognized any royalty revenue resulting from any of out-licensing arrangements.

2017

Revenue comprises the fair value of the consideration received or receivable for the out-licensing of experimental drugs that have reached 'proof of concept' to customers for ongoing global development and launch, in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts. See Note 15 for details of the Group's licensing agreements.

The Group recognizes revenue when the Group has completed the out-licensing of the experimental drug to the customers, the customers have accepted the products and the collectability of the related receivables is reasonably assured.

Typically income from out-licensing may take the form of upfront fees, milestones and/or sales royalties. Revenue is recognized upon the receipt of the non-refundable upfront payment if the license of intellectual property has stand-alone value and the Group has no remaining, subsequent performance obligation in accordance with the licensing agreements. Otherwise, revenue recognition is deferred and spread over the period of performance on a straight-line basis. Milestone payments which are contingent on achieving certain clinical milestones are recognized as revenues either on achievement of such milestones, or over the period of the performance obligation if the Group has continuing performance obligations. Royalties on marketed drugs, which are recognized as revenue on an accrual basis and in accordance with the substance of the contracts, are recognized when it is probable that the economic benefits of a transaction will flow to the Group and the revenue can be measured reliably.

Revenue from the sale of research material is recognized when all the following conditions are satisfied:

1) The Group has transferred the significant risks and rewards of the research material to the buyer;

2) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the research material sold;

3) The amount of revenue can be measured reliably;

4) It is probable that the economic benefits will flow to the Group; and

5) The costs incurred or to be incurred can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis with reference to the principal outstanding and at the applicable effective interest rate.

k. Research and development expenses

Elements of research and development expenses primarily include:

1) payroll and other related costs of personnel engaged in research and development activities;

2) costs related to preclinical testing of the Group's technologies under development and clinical trials, such as payments to contract research organizations ("CROs"), investigators and clinical trial sites that conduct the Group's clinical studies;

3) costs to develop the product candidates, including raw materials, supplies and product testing related expenses; and

4) other research and development expenses.

Research and development expenses are expensed as incurred when these expenditures relate to the Group's research and development services and have no alternative future uses. The conditions enabling the capitalization of development costs as an asset have not yet been met and, therefore, all development expenditures are recognized in profit or loss when incurred.

l. Leasing

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

m. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

n. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of employee share options that will eventually vest, with a corresponding increase in "capital surplus - employee share options". The fair value determined at the grant date of the employee share options is recognized as an expense in full at the grant date when the share options granted vest immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital surplus.

The fair value of the amount payable to beneficiaries in respect of bonus entitlement unit grants, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the beneficiaries become unconditionally entitled to payment. The amount is remeasured at each reporting date and at settlement based on the fair value of the bonus entitlement units. Any changes in the liability are recognized in profit or loss.

o. Taxation

The provision for income tax recognized in profit or loss comprises current and deferred tax. Current tax is income tax paid and payable for the current year based on the taxable profit of the year and any adjustments to tax payable (or receivable) in respect of prior years. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit or loss. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The carrying amount is reviewed at the end of each reporting period on the same basis. Deferred tax is measured at the tax rates that are expected to apply in the period in which the asset or liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

a. Income tax

No deferred tax assets have been recognized on tax losses due to the unpredictability of future profit streams. The realizability of deferred tax assets mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit generated is different from expected, a material adjustment of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such adjustment takes place.

b. Impairment of intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually and whenever an indicator of impairment exists. The Group assesses whether there is an indication of impairment based on internal and external information, including the progress of research and development project and the prospect of such technology. Determining whether an intangible asset is impaired requires an estimation of the recoverable amount and a comparison with the carrying amount. The calculation of the recoverable amount requires management to estimate the future cash flows that are expected to arise from the intangible asset and a suitable discount rate in order to calculate the present value. Any change of estimation arising from economic environment changes or the Group's strategies may lead to significant impairment loss in the future.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2018	2017
Cash on hand	$ 71	$ 71
Deposits in banks	883,527	1,499,713
	$ 883,598	$ 1,499,784

Deposits in banks consisted of highly liquid time deposits that were readily convertible to known amounts of cash and were subject to an insignificant risk or change in value.

The market rate intervals of time deposits at the end of the reporting period were as follows:

	December 31	
	2018	2017
Time deposits	2.57%	0.56%-1.61%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2018
Non-current	
Financial assets mandatorily classified as at FVTPL	
Derivative financial assets - warrants	$ 1,834

In July 2018, the Group acquired warrants to subscribe for ordinary shares of DotBio Pte. Ltd., as detailed in Note 15 (under the heading of "Nanyang Technological University").

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2018
Non-current	
Investments in equity instruments at FVTOCI	
Foreign unlisted ordinary shares	$ 5,723

In July 2018, the Group acquired ordinary shares of DotBio Pte. Ltd., as detailed in Note 15 (under the heading of Nanyang Technological University), which were not held for trading. The management believes that to recognize short-term fluctuations in the investments' fair value in profit or loss would not be consistent with the Group's purpose of holding the investments. As a result, the Group elected to designate the investments in equity instruments as at FVTOCI.

9. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Other Equipment	Leasehold Improvements	Total
Cost				
Balance at January 1, 2017	$ 4,811	$ 843	$ 10,628	$ 16,282
Additions	1,896	276	6,656	8,828
Disposals	-	-	(2,233)	(2,233)
Effect of foreign currency exchange differences	(441)	(77)	(979)	(1,497)
Balance at December 31, 2017	$ 6,266	$ 1,042	$ 14,072	$ 21,380
Accumulated depreciation				
Balance at January 1, 2017	$ 2,055	$ 160	$ 1,630	$ 3,845
Depreciation expenses	1,573	285	4,229	6,087
Disposals	-	-	(1,284)	(1,284)
Effect of foreign currency exchange differences	(205)	(20)	(197)	(422)
Balance at December 31, 2017	$ 3,423	$ 425	$ 4,378	$ 8,226
Carrying amounts at December 31, 2017	$ 2,843	$ 617	$ 9,694	$ 13,154
Cost				
Balance at January 1, 2018	$ 6,266	$ 1,042	$ 14,072	$ 21,380
Additions	1,977	31	410	2,418
Effect of foreign currency exchange differences	221	33	437	691
Balance at December 31, 2018	$ 8,464	$ 1,106	$ 14,919	$ 24,489
Accumulated depreciation				
Balance at January 1, 2018	$ 3,423	$ 425	$ 4,378	$ 8,226
Depreciation expenses	1,888	325	4,879	7,092
Effect of foreign currency exchange differences	133	18	205	356
Balance at December 31, 2018	$ 5,444	$ 768	$ 9,462	$ 15,674
Carrying amounts at December 31, 2018	$ 3,020	$ 338	$ 5,457	$ 8,815

No impairment assessment was performed for the years ended December 31, 2018 and 2017 as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follow:

Office equipment	3 years
Other equipment	3 years
Leasehold improvements	3-5 years

10. INTANGIBLE ASSETS

	Licenses	Computer Software	Total
Cost			
Balance at January 1, 2017	$ 2,375	$ 1,014	$ 3,389
Additions	-	268	268
Effect of foreign currency exchange differences	(198)	(91)	(289)
Balance at December 31, 2017	$ 2,177	$ 1,191	$ 3,368
Accumulated amortization			
Balance at January 1, 2017	$ -	$ 662	$ 662
Amortization expenses	-	274	274
Effect of foreign currency exchange differences	-	(61)	(61)
Balance at December 31, 2017	$ -	$ 875	$ 875
Carrying amounts at December 31, 2017	$ 2,177	$ 316	$ 2,493
Cost			
Balance at January 1, 2018	$ 2,177	$ 1,191	$ 3,368
Additions	692,939	88	693,027
Effect of foreign currency exchange differences	10,120	38	10,158
Balance at December 31, 2018	$ 705,236	$ 1,317	$ 706,553
Accumulated amortization			
Balance at January 1, 2018	$ -	$ 875	$ 875
Amortization expenses	-	192	192
Effect of foreign currency exchange differences	-	30	30
Balance at December 31, 2018	$ -	$ 1,097	$ 1,097
Carrying amounts at December 31, 2018	$ 705,236	$ 220	$ 705,456

The intangible assets, namely licenses, include the acquisitions in January 2018 of exclusive and worldwide rights to develop, manufacture and commercialize varlitinib from Array Biopharma Inc. and in August 2016 of ASLAN005 from Exploit Technologies Pte. Ltd., respectively. The information related to these license agreements is further disclosed in Note 15.

As of December 31, 2018 and 2017, the aforementioned intangible assets were not amortized since they were not yet available for use. Instead they would be tested for impairment, by comparing the recoverable amounts with the carrying amounts, annually and whenever there is an indication that they may be impaired. For the years ended December 31, 2018 and 2017, there was no impairment loss recognized.

Computer software is amortized on a straight-line basis over the estimated useful life of 3 years.

11. OTHER PAYABLES

	December 31	
	2018	**2017**
Payables for salaries and bonuses	$ 35,243	$ 40,812
Payables for professional fees	20,806	12,238
Payables for cash-settled share-based payment transactions (Note 19)	20,449	5,783
Interest payables	1,541	-
Others	3,956	2,866
	$ 81,995	$ 61,699

12. LONG-TERM BORROWINGS

	December 31	
	2018	**2017**
Unsecured borrowings		
Loans from government	$ 222,094	$ 219,805
Other long-term borrowings	124,104	-
Interest payables	80,940	67,246
	$ 427,138	$ 287,051

a. Loans from government

On April 27, 2011, the Singapore Economic Development Board (the "EDB") awarded the Company a repayable grant (the "Grant") not exceeding SGD10 million (approximately $222 million) to support the Company's drug development activities over a five-year qualifying period commencing February 24, 2011 (the "Project"). The Project was successfully implemented, resulting in substantially the full amount of the Grant being disbursed to the Company.

In the event any of the Company's clinical product candidates achieve commercial approval after Phase 3 clinical trials, the Company will be required to repay the funds disbursed to the Company under the Grant plus interest of 6%. Until the Company has fulfilled its repayment obligations under the Grant, the Company has ongoing update and reporting obligations to the EDB. In the event the Company breaches any of its ongoing obligations under the Grant, EDB can revoke the Grant and demand that the Company repay the funds disbursed to the Company under the Grant.

As of December 31, 2018 and 2017, the amounts of the funds disbursed to the Company plus accrued interest were $303 million and $287 million, respectively.

b Other long-term borrowings

On May 12, 2014, ASLAN Pharmaceuticals Pte. Ltd. obtained a loan facility of US$4.5 million from CSL Finance Pty Ltd. The amount was based on 75% of research and development costs approved by CSL Finance Pty Ltd. at each drawdown period. The loan is repayable within 10 years from the date of the facility agreement. Interest on the loan is computed at 6% plus LIBOR and is payable on a quarterly basis.

Mandatory prepayment of the loan is required upon a successful product launch occurring before maturity of the loan.

As of December 31, 2018 and 2017, the amounts of the funds disbursed to the Company plus accrued interest were $126 million and nil, respectively.

13. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

ASLAN Pharmaceuticals Pte. Ltd. adopted a defined contribution plan, which is a post-employment benefit plan, under which ASLAN Pharmaceuticals Pte. Ltd. pays fixed contributions into the Singapore Central Provident Fund on a mandatory basis. ASLAN Pharmaceuticals Pte. Ltd. has no further payment obligations once the contributions have been paid. The contributions are recognized as "employee compensation expenses" when they are due.

ASLAN Pharmaceuticals Taiwan Limited adopted a pension plan under the Labor Pension Act (the "LPA") of the ROC, which is a state-managed defined contribution plan. Under the LPA, ASLAN Pharmaceuticals Taiwan Limited makes monthly contributions to its Taiwan-based employees' individual pension accounts at 6% of monthly salaries and wages.

ASLAN Pharmaceuticals (Shanghai) Co. Ltd. makes monthly contributions at a certain percentage of its Shanghai-based employees' payroll expenses to pension accounts, which are operated by the Chinese government. Beside the aforementioned monthly contributions, the Group has no further obligation.

For the years ended December 31, 2018 and 2017, the total expenses for such employee benefits in the amounts of $12.8 million and $10 million were recognized, respectively.

14. EQUITY

a. Ordinary shares

	December 31	
	2018	**2017**
Number of shares authorized	500,000,000	200,000,000
Shares authorized	$ 5,000,000	$ 2,000,000
Number of shares issued and fully paid	160,128,940	130,128,940
Shares issued	$ 1,602,489	$ 1,301,289

The issued ordinary shares with a par value of $10 entitle holders with the rights to vote and receive dividends.

On February 28, 2017, the Company's board of directors resolved to issue 14,458,000 ordinary shares for initial public offering on the TPEx, with a par value of $10, amounting to $144.6 million, which increased the balance of the share capital to $1.3 billion. The above issuance was declared effective by the TPEx on April 7, 2017, and the subscription base date was determined as at May 25, 2017. The abovementioned shares were issued at a weighted-average bid price of $68.92 per share. The Company collected the above proceeds amounting to $996.5 million for new shares issued on May 25, 2017.

On January 22, 2018, the Company received the official letter No. 1060049975 from the FSC of approval of the issuance of ordinary shares for the purpose of sponsoring the issuance of American Depository Receipts. On March 27, 2018, the Company filed the registration statement, form F-1, with the U.S. Securities and Exchange Commission (SEC) for the initial public offering in the United States of its American Depositary Shares (ADS) representing shares of ordinary shares. The registration statement for listing its ADSs in the Nasdaq Global Market was declared effective by the SEC, and the Company held the initial public offering of its ADSs on May 4, 2018.

The actual units of ADSs for this offering were 6,000,000, and each ADS represents five of the Company's ordinary shares, which in total represents 30,000,000 ordinary shares. The offering price per ADS was US$7.03, equivalent to a price per ordinary share of NT$41.72. The payment of this fundraising was fully collected as of May 8, 2018, and the record date for this capital increase was May 8, 2018.

On September 10, 2018, the Company's board of directors resolved to increase authorized shares to $5 million.

For long-term development purposes, on November 7, 2018, the board of directors resolved to issue ordinary shares ranging from 15,000,000 to 40,000,000 shares for cash sponsoring the issuance of American Depository Receipts. On December 5, 2018, the Company received the approval letter No.1070344286 from the FSC for issuing ordinary shares for sponsoring the issuance of American Depository Receipts.

b. Capital surplus

	December 31	
	2018	**2017**
Arising from issuance of new share capital	$ 3,273,317	$ 2,476,406
Arising from employee share options	196,392	183,817
	$ 3,469,709	$ 2,660,223

c. Retained earnings and dividends policy

Under the Company's Articles of Incorporation, the Company may declare dividends by ordinary resolution of the Company's board of directors, but no dividends shall exceed the amount recommended by the directors of the Company.

The Company may set aside out of the funds legally available for distribution, for equalizing dividends or for any other purpose to which those funds may be properly applied, either employed in the business of the Company or invested in such investments as the directors of the Company may from time to time think fit.

The accumulated deficits for 2017 and 2016 which were approved in the shareholders' meetings on June 15, 2018 and June 28, 2017, respectively, were as follows:

	For the Year Ended December 31	
	2017	2016
Accumulated deficits at the beginning of the year	$ (1,565,714)	$ (1,273,389)
Net loss for the year	(1,208,420)	(292,325)
Accumulated deficits at the end of the year	$ (2,774,134)	$ (1,565,714)

The accumulated deficits for 2018 which had been proposed by the Company's board of directors on March 22, 2019 were as follows:

	For the Year Ended December 31, 2018
Accumulated deficits at the beginning of the year	$ (2,774,134)
Net loss for the year	(1,270,959)
Accumulated deficits at the end of the year	$ (4,045,093)

The accumulated deficits for 2018 are subject to the resolution of the shareholders' meeting to be held on June 21, 2019.

d. Others equity items

Exchange differences on translating the financial statements of foreign operations:

	For the Year Ended December 31	
	2018	2017
Balance at January 1	$ (134,201)	$ (30,870)
Exchange differences on translation to the presentation currency	42,934	(103,331)
Balance at December 31	$ (91,267)	$ (134,201)

15. LICENSE AGREEMENTS

Array Biopharma

The Company entered into a license agreement in 2011 with Array Biopharma Inc. ("Array") to develop Array's pan-HER inhibitor, ARRY-543 (which the Company refers to as ASLAN001 or varlitinib), for the treatment or prevention of any disease or condition in humans, without upfront payments. Under the license agreement, the Company agreed to fund and globally develop ASLAN001 through proof of concept, initially targeting patients with gastric cancer through a development program conducted in Asia.

Upon achievement of proof of concept, the Company agreed to collaborate or out-license to third parties for the further phase 3 development and commercialization. Under the license agreement, the Company agreed to pay Array 50% of the proceeds from out-licensing as royalties.

On January 3, 2018, the Company entered into a new license agreement with Array pursuant to which the Company obtained an exclusive, worldwide license to develop, manufacture and commercialize varlitinib for all human and animal therapeutic, diagnostic and prophylactic uses. This new license agreement replaces and supersedes the previous collaboration and license agreement with Array dated July 12, 2011.

Under the new license agreement, the Company agreed to use commercially reasonable efforts to obtain approval by the U.S. FDA or the applicable health regulatory authority and commercialize varlitinib.

In consideration of the rights granted under the agreement, the Company made an initial upfront payment to Array of US$12 million in January 2018 and an additional payment US$11 million in June 2018, respectively. In addition, the Company will be required to pay up to US$30 million if certain development milestones are achieved, US$20 million if certain regulatory milestones are achieved, and up to US$55 million if certain commercial milestones are achieved. The Company is also required to pay Array tiered royalties in the low tens on net sales of varlitinib. The royalty obligations will continue on a country-by-country basis through the later of the expiration of the last valid patent claim for varlitinib or ten years after the first commercial sale of varlitinib in a given country. As of December 31, 2018, the Company did not accrue the above contingent payments since the milestones are not achieved.

If within two years of the date of the new license agreement the Company sublicenses varlitinib and is paid an upfront payment, Array will be further entitled to receive one-half of the portion of any such upfront payment that exceeds a specified amount. In the event that the base royalty under a sublicense agreement is 20% or less, the Company will only be required to share with Array one-half of the amount actually received by the Company under such sublicense agreement in lieu of the tiered royalties described above, provided that the royalty paid in such case shall in no event be less than a royalty in the high single digit range.

If the Company undergoes a change in control during a defined period following execution of the new license agreement, Array will also be entitled to receive a low to mid single-digit percentage of the proceeds resulting from the change in control. Unless earlier terminated, the agreement will continue on a country-by-country basis until the expiration of the respective royalty obligations in such country. Upon such expiration in such country, Array will grant to the Company a perpetual, royalty-free, non-terminable, non-revocable, non-exclusive license to exploit certain know-how in connection with the development, manufacturing and/or commercialization of varlitinib for all human and animal therapeutic, diagnostic and prophylactic uses in such country. Either party may terminate the agreement (i) in the event of the other party's material breach of the agreement that remains uncured for a specified period of time or (ii) the insolvency of the other party. The Company may also terminate the agreement without cause at any time upon 180 days advance notice to Array.

Bristol-Myers Squibb

The Company entered into a license agreement with Bristol-Myers Squibb in 2011, and the Company received exclusive rights to develop and commercialize BMS-777607 (which the Company refers to as ASLAN002) in China, Australia, Korea, Taiwan and other selected Asian countries, without upfront payments, while Bristol-Myers Squibb retains exclusive rights in the rest of the world. Under the license agreement, the Company would fund and develop ASLAN002 through proof of concept under a development plan that would initially target gastric cancer and lung cancer.

After the Company completed the phase 1 clinical trial, Bristol-Myers Squibb licensed the exclusive rights from the Company to further the development and commercialization of ASLAN002 worldwide. Under the terms of the license agreement, the Company has received an upfront payment of US$10 million ($323 million) in 2016. The Company is eligible to receive additional payments upon Bristol-Myers Squibb's achievement of development and regulatory milestones in the future. Furthermore, the Company is eligible to receive royalty payments on future worldwide sales generated by Bristol-Myers Squibb. Bristol-Myers Squibb also purchased the related research materials, supplies, research documentation and clinical trial results that are used for further developing ASLAN002 from the Company in the amount of US$1 million ($42 million) which was delivered in 2016. Such amount was recorded in the accounts receivable as of

December 31, 2016 and was collected during the first quarter of 2017. As Bristol-Myers Squibb assumes the responsibility for all development and commercialization activities and expenses and the Company currently has no further obligations under the license agreement, the Company recognized US$11 million ($365 million) in revenue for the year ended December 31, 2016.

Almirall

In 2012, the Company originally entered into a global licensing agreement with Almirall to develop DHODH inhibitor, LAS186323, which the Company refers to as ASLAN003, for rheumatoid arthritis (excluding any topical formulation), without upfront payments. Under the license agreement, the Company agreed to fund and develop ASLAN003 to the end of Phase 2 through a development program conducted in the Asia-Pacific region.

The original license agreement was replaced by a new agreement, executed in December 2015 and amended in March 2018, granting an exclusive, worldwide license to develop, manufacture and commercialize ASLAN003 products for all human diseases with primary focus on oncology diseases, excluding topically-administered products embodying the compound for keratinocyte hyperproliferative disorders, and the non-melanoma skin cancers basal cell carcinoma, squamous cell carcinomas and Gorlin Syndrome, or collectively, the KHD/NMSC products. Under the license agreement, Almirall is eligible to receive milestone payments and royalties based on the sales generated by the Company and/or sublicenses.

CSL

The Company entered into a global license agreement with CSL Limited ("CSL"), in May 2014, to develop the anti-IL13 receptor monoclonal antibody, CSL334 (which the Company refers to as ASLAN004) and antigen binding fragments thereof, for the treatment, diagnosis or prevention of diseases or conditions in humans, without upfront payments. This license agreement was amended in September 2018. Under the license agreement (as amended), the Company agreed to fund and develop ASLAN004 through to clinical proof of concept in a development program, targeting patients suffering moderate to severe atopic dermatitis. Upon achievement of clinical proof of concept (or earlier, if agreed), the Company will collaborate or out-license to third parties for further Phase 3 development and commercialization. Under the license agreement, the Company will pay to CSL a share in the range of 40 to 50 percent of all licensing revenue it receives from out-licensing agreements.

Hyundai Pharm Co., Ltd.

In October 2015, the Company entered into a license agreement with Hyundai Pharm Co., Ltd. ("Hyundai"). Under the terms of the license agreement, the Company granted Hyundai options to acquire the rights to use its intellectual property to develop and commercialize varlitinib for the treatment of cholangiocarcinoma (i.e., CCA) in South Korea, and the Company has received an option payment of US$0.25 million ($8.1 million) from Hyundai in 2016. As there was no performance obligation required for the Company, the payment was recognized as revenue, and the related cost of revenue in the amount of US$0.1 million ($4 million) paid to one of the third parties with whom the Company has a licensing agreement as part of the payment for the proceeds from out-licensing was recognized as cost of revenue, for the year ended December 31, 2016. The Company is eligible for additional regulatory and commercial milestones payments as well as royalties on product sales in the future.

In February 2019, the Company made a payment of US$0.3 million to Hyundai in order to buy back the rights to commercialize varlitinib in CCA.

Exploit Technologies Pte Ltd. ("ETPL")/P53 Laboratory

The Company entered a licensing agreement with ETPL, in August 2016, to license IP arising from a research collaboration with ETPL's P53 Laboratory referred to below, focusing on generation of novel immuno-oncology antibodies targeting recepteur d'origine nantais ("RON"), such antibodies referred to by the Company collectively as ASLAN005, with a license fee of SG$ 0.1 million ($2.2 million) capitalized as

a separately acquired intangible asset. Under the license agreement, the Company has the exclusive rights to develop and commercialize ASLAN005 worldwide. ETPL is eligible to receive up to an aggregate of SG$12 million ($266.2 million) in milestone payments if certain development and commercial milestones are achieved, as well as royalties calculated basing on the sales generated by the Company.

In August 2016, the Company and ETPL's P53 Laboratory entered a three-year research collaboration agreement. Under the terms of the agreement, the Company will be responsible for the design of innovative clinical development programs, in collaboration with P53 Laboratory, which will continue to be responsible for the preclinical development of the antibody assets.

Nanyang Technological University

The Company entered into a licensing and research collaboration agreement with Nanyang Technological University (NTU) in October 2016, for the development of modybodies against three targets of the Company's choice. The agreement expired in April 2018, but the Company retained continuing rights: a half share ownership in the resulting IP, together with an exclusive option to obtain global rights to develop and commercialize modybodies, with such option exercisable until October 2018. In July 2018, the technology for modybodies was separated from NTU and licensed to a new company, DotBio Pte. Ltd. In exchange for the Company's giving up its residual rights and options in respect to the technology, the Company received 599,445 shares of DotBio Pte. Ltd. equivalent to SG$255,000 (see Note 8), together with 599,445 units of warrant to subscribe for the same number of shares at a subscription price of US$0.32 which was the same value per share as applied to other new investors in this round (see Note 7); in addition, the Company also retained a right of first refusal to take an exclusive license for any modybodies produced by DotBio Pte. Ltd. that are based on the work coming out of the collaborative agreement between NTU and the Company. However, as the right of first refusal did not limit DotBio Pte. Ltd.'s ability to direct the use of the asset, or to obtain substantially all the remaining benefits from the asset, this would not prevent DotBio Pte. Ltd. from obtaining control of the asset. Accordingly, the Company recognized the gain arising from the derecognition and recorded it as other income of $5.6 million because it was not a good or service that was an output of the Company's ordinary activities.

BioGenetics Co. Ltd.

In February 2019, the Company entered into a licensing agreement with BioGenetics to grant exclusive rights to commercialise varlitinib in South Korea in exchange for an upfront payment of US$2 million and up to US$11 million in sales and development milestone payments. The Company is also eligible to receive tiered double digit royalties on net sales up to the mid-twenties. The Company will continue to fund all clinical development of varlitinib, and BioGenetics will be responsible for obtaining initial and all subsequent regulatory approvals of varlitinib in South Korea.

In March 2019, the Company entered into another licensing agreement with BioGenetics to grant exclusive rights to commercialise ASLAN003 in South Korea in exchange for an upfront payment of US$1 million and up to US$8 million in sales and development milestone payments. The Company is also eligible to receive tiered double digit royalties on net sales from the high-teens to the mid-twenties range. The Company will continue to fund all clinical development of ASLAN003, and BioGenetics will be responsible for obtaining initial and all subsequent regulatory approvals of ASLAN003 in South Korea.

16. LOSS BEFORE INCOME TAX

a. Other gains and losses

	For the Year Ended December 31	
	2018	2017
Net foreign exchange gains (losses)	$ 2,889	$ (20,209)
Fair value changes of financial assets mandatorily classified as at FVTPL	1,808	-
Loss on disposal of property, plant and equipment	-	(949)
Others	1,728	(7)
	$ 6,425	$ (21,165)

b. Finance costs

	For the Year Ended December 31	
	2018	2017
Interest on government loans	$ 13,301	$ 12,623
Other interest expenses	1,519	-
	$ 14,820	$ 12,623

c. Depreciation and amortization

	For the Year Ended December 31	
	2018	2017
Property, plant and equipment	$ 7,092	$ 6,087
Computer software	192	274
	$ 7,284	$ 6,361

All depreciation and amortization expenses were recognized as general and administrative expenses for the years ended December 31, 2018 and 2017.

d. Employee benefits expense

	For the Year Ended December 31	
	2018	2017
Short-term benefits	$ 241,085	$ 213,933
Post-employment benefits (Note 13)	12,779	9,980
Share-based payments (Note 19)		
Equity-settled	13,589	23,314
Cash-settled	25,268	10,814
Total employee benefits expense	$ 292,721	$ 258,041
An analysis of employee benefits expense by function		
General and administrative expenses	$ 189,639	$ 141,292
Research and development expenses	103,082	116,749
	$ 292,721	$ 258,041

e. Employees' compensation and remuneration of directors

Under the Company's Articles of Incorporation, the Company shall accrue employees' compensation and remuneration of directors at the rates of no less than 0.1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

The Company had accumulated deficits for the years ended December 31, 2018 and 2017; therefore, no compensation for employees and remuneration of directors was accrued.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Company's board of directors in 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

17. INCOME TAXES

Income Tax Recognized in Profit or Loss

	For the Year Ended December 31	
	2018	2017
Current tax		
Adjustments for prior periods	$ 435	$ -

A reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2018	2017
Loss before income tax	$ (1,270,524)	$ (1,208,420)
Income tax benefit calculated at the statutory rate	$ (215,989)	$ (205,431)
Nondeductible expenses in determining taxable income	3,382	129,896
Tax credits for research and development expenditures	(69,663)	(67,381)
Unrecognized loss carryforward	279,044	136,919
Effect of different tax rates of group entities operating in other jurisdictions	3,226	5,997
Adjustments for prior years' tax	435	-
Income tax expense recognized in profit or loss	$ 435	$ -

a. Cayman Islands

The Company is incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

b. Singapore

ASLAN Pharmaceuticals Pte. Ltd. is subject to the statutory corporate income tax rate of 17%. As of December 31, 2018, the Company has unrecognized loss carryforward of $4,472 million. Deferred tax assets are not recognized for loss carryforward since the future taxable profits available to offset against those loss carryforward are uncertain.

c. Taiwan

ASLAN Pharmaceuticals Taiwan Limited, incorporated in Taiwan, is subject to the statutory corporate income tax rate of 17% for the year ended December 31, 2017. The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%, effective in 2018. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings is reduced from 10% to 5%.

The income tax returns through 2017 have been assessed by the tax authorities.

d. Australia

ASLAN Pharmaceuticals Australia Pty Ltd., incorporated in Australia, is subject to the statutory corporate income tax of 30%. ASLAN Pharmaceuticals Australia Pty Ltd. has no taxable income for the years ended December 31, 2018 and 2017, and therefore, no provision for income tax is required.

e. Hong Kong

ASLAN Pharmaceuticals Hong Kong Limited, incorporated in Hong Kong, is subject to the statutory corporate income tax of 16.5%. Under the Hong Kong tax law, ASLAN Pharmaceuticals Hong Kong Limited is exempted from income tax on its foreign derived income and there are no withholding taxes in Hong Kong on the remittance of dividends. ASLAN Pharmaceuticals Hong Kong Limited has no taxable income for the years ended December 31, 2018 and 2017, and therefore, no provision for income tax is required.

f. China

ASLAN Pharmaceuticals (Shanghai) Co. Ltd., incorporated in China, is subject to the statutory corporate income tax rate of 25%. ASLAN Pharmaceuticals (Shanghai) Co. Ltd. has no taxable income for the years ended December 31, 2018 and 2017, and therefore, no provision for income tax is required.

g. United States of America

ASLAN Pharmaceuticals (USA) Inc., incorporated in Delaware, U.S.A. in October 2018, is subject to the statutory federal income tax rate of 21% and state income tax rate of 8.7%. ASLAN Pharmaceuticals (USA) Inc. has no taxable income for the year ended December 31, 2018, and therefore, no provision for income tax is required.

18. LOSS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2018	**2017**
Basic loss per share	$ (8.49)	$ (9.71)

The loss and weighted-average number of ordinary shares outstanding used in the computation of loss per share are as follows:

	For the Year Ended December 31	
	2018	2017
Loss used in the computation of basic loss per share	$ (1,270,959)	$ (1,208,420)
Weighted average number of ordinary shares in the computation of basic loss per share	149,739,242	124,424,960

If the outstanding employee share options issued by the Company are converted to ordinary shares, they are anti-dilutive and excluded from the computation of diluted earnings per share. Potential ordinary shares arising from the aforementioned anti-dilutive outstanding employee share options are 6,664,244 and 7,224,123 shares for the years end 2018 and 2017, respectively.

19. SHARE-BASED PAYMENT ARRANGEMENTS

New Shares Reserved for Subscription by Employees under Cash Injection

On February 28, 2017, the Company's board of directors approved a cash injection to issue 14,458,000 ordinary shares for initial public offering on the TPEx and simultaneously reserved 1,446,000 ordinary shares for subscription by employees according to the Company Act of the ROC, and employees subscribed for all of the reserved ordinary shares on May 16, 2017.

The Group used the binomial option price model to determine the fair value of the share options granted to employees on May 16, 2017, and the related assumptions and the fair value of the options are as follows:

	Share Options Granted on May 16, 2017
Grant-date share price (NT$)	$68.92
Exercise price (NT$)	$68.92
Expected volatility	37.33%
Expected life	0.02 year
Dividends yield	-
Risk-free interest rate	0.08%
Weighted-average fair value of options (NT$)	$1.44

Expected volatility was based on the average annualized historical share price volatility of the Company's comparable companies before the grant date.

The aforementioned options granted to employees are accounted for and measured at fair value in accordance with IFRS 2. The recognized compensation costs were $0.2 million for the year ended December 31, 2017 and were classified as "captial surplus - ordinary shares" after collecting the proceeds for employee share subscriptions.

Employee Share Option Plan

Under the Company's Employee Share Option Plan, qualified employees of the Company and its subsidiaries were granted 825,833 options in September 2017, 1,032,250 options in July 2016, 2,477,336 options in July 2015, 680,625 options in July 2014, 619,250 options in July 2013, 669,750 options in July 2012, 910,000 options in July 2011, and 661,000 options in July 2010. Each option entitles the holder to subscribe for one ordinary share of the Company. The options granted are valid for 10 years and exercisable at certain percentages once they have vested. No performance conditions were attached to the plan. The Company has no legal constructive obligation to repurchase or settle the options in cash.

The board of directors of the Company, as of July 26, 2016, resolved to double the number of shares underlying each outstanding award granted previously to reflect the subdivision ratio of the share split made in connection with the corporate restructuring of May 27, 2016. The exercise price for each award previously granted was correspondingly adjusted by a decrease of 50%. The modification did not cause any incremental adjustments to the fair value of the granted awards.

As of December 31, 2018, there are 14,343,213 ordinary shares issuable on the exercise of share options outstanding under the Company's equity incentive plans.

Information on employee share options granted in September 2017 is as follows:

	For the Year Ended December 31			
	2018		2017	
	Number of Options	Weighted-average Exercise Price (US$)	Number of Options	Weighted-average Exercise Price (US$)
Balance at January 1	755,833	$ 1.28	-	$ -
Options granted	-	-	825,833	1.28
Options forfeited	(57,666)	1.28	(70,000)	1.28
Balance at December 31	698,167	1.28	755,833	1.28
Options exercisable, end of period	-	-	-	-
Weighted-average fair value of options granted (US$)	$ 0.62		$ 0.62	

Information on employee share options granted in July 2016, 2015, 2014, 2013, 2012, 2011 and 2010 is as follows:

	For the Year Ended December 31			
	2018		2017	
	Number of Options	Weighted-average Exercise Price (US$)	Number of Options	Weighted-average Exercise Price (US$)
Balance at January 1	6,887,523	$ 1.41	6,958,461	$ 1.42
Options forfeited	(5,000)	2.13	(70,938)	1.95
Options exercised	(60,000)	0.80	-	-
Balance at December 31	6,822,523	1.41	6,887,523	1.41
Options exercisable, end of period	6,595,294	1.38	5,825,816	1.30
Weighted-average fair value of options granted (US$)	$ 0.89		$ 0.89	

Information on outstanding options as of December 31, 2018 is as follows:

September 2017		July 2016		July 2015		July 2014		July 2013		July 2012		July 2011		July 2010	
Range of Exercise Price (NT$)	Weighted-average Remaining Contractual Life (Years)	Range of Exercise Price (US$)	Weighted-average Remaining Contractual Life (Years)	Range of Exercise Price (US$)	Weighted-average Remaining Contractual Life (Years)	Range of Exercise Price (US$)	Weighted-average Remaining Contractual Life (Years)	Range of Exercise Price (US$)	Weighted-average Remaining Contractual Life (Years)	Range of Exercise Price (US$)	Weighted-average Remaining Contractual Life (Years)	Range of Exercise Price (US$)	Weighted-average Remaining Contractual Life (Years)	Range of Exercise Price (US$)	Weighted-average Remaining Contractual Life (Years)
$38.50	8.7	$2.26	7.5	$1.36-$1.88	6.5	$1.36	5.5	$0.80-$1.36	4.5	$0.80	3.5	$0.20-$0.80	2.5	$0.20-$0.80	1.5

Options granted in September 2017 and July of 2016, 2015, 2014, 2013, 2012, 2011 and 2010 were priced using the binomial option pricing model, and the inputs to the model are as follows:

	September 2017	July 2016	July 2015	July 2014	July 2013	July 2012	July 2011	July 2010
Grant-date share price	NT$38.50	US$2.26	US$1.88	US$1.36	US$1.36	US$1.25	US$0.80	US$0.80
Exercise price	NT$38.50	US$2.26	US$1.36-$1.88	US$1.36	US$0.80-$1.36	US$0.80	US$0.20-$0.80	US$0.20-$0.80
Expected volatility	38.33%	39.34%	36.37%	50.86%	50.58%	52.25%	54.26%-54.44%	59.16%
Expected life (in years)	10	10	10	10	10	10	10	10
Expected dividend yield	-	-	-	-	-	-	-	-
Risk-free interest rate	1.1027%	1.46%	2.43%	2.58%	2.5%	1.61%	2.96%-3.22%	2.954%

Expected volatility was based on the average annualized historical share price volatility of comparable companies before the grant date.

Compensation cost recognized were $13.6 million and $23.3 million for the years ended December 31, 2018 and 2017, respectively.

Long Term Incentive Plan

On July 30, 2018 and August 23, 2017, the Company's board of directors approved the 2018 and 2017 Senior Management Team (SMT) Long Term Incentive Plans (the "2018 LTIP" and "2017 LTIP"), respectively, which outlines awards that may be granted to qualified employees of the Company. These plans are applicable to the SMT of the Company and are used for long-term retention of key management. The LTIPs are each valid for ten years, and grantees of the bonus entitlement units can exercise their rights once they have vested. The Company shall pay the intrinsic value of the units awarded to the employees at the date of exercise of their awards, if redeemed by an employee.

As of December 31, 2018, there are 241,142 bonus entitlement units which have been granted under the 2018 LTIP by the Company. For the 241,142 units under the 2018 LTIP, they will vest in thirds each year after the first, second, and third anniversary of the award. The value of the 2018 LTIP will be linked to the ADS price. All of the 2018 LTIP granted bonus entitlement units remained outstanding as of December 31, 2018.

The Company's 2018 LTIP is described as follows:

	For the Year Ended December 31, 2018
Balance at January 1	-
Awards granted	241,142
Balance at December 31	241,142
Balance exercisable, end of period	-

As of December 31, 2018, there are 1,566,000 bonus entitlement units which have been granted under the 2017 LTIP by the Company. For the 1,462,000 units under the 2017 LTIP which were granted in 2017, they will vest in thirds each year after the first, second, and third anniversary of the award, and for the 104,000 units under the 2017 LTIP which were granted in 2018, they will vest in halves each year after the second and third anniversary of the award.

The value of the 2017 LTIP, which was originally measured based on the quoted share price, will be changed retrospectively at a 5:1 conversion ratio of the Taiwan share price to the ADS price due to the modification of the 2017 LTIP approved by the board of directors on July 30, 2018. As this shall be a modification of a cash-settled award that remains a cash-settled award after the modification, any increase or decrease in the value of the liability shall be recognized immediately in profit or loss.

The Company's 2017 LTIP is described as follows:

	For the Year Ended December 31	
	2018	**2017**
Balance at January 1	1,462,000	-
Awards granted	104,000	1,462,000
Awards exercised	(86,666)	-
Balance at December 31	1,479,334	1,462,000
Balance exercisable, end of period	400,667	-

Each bonus entitlement unit grants the holders of the 2018 LTIP and the 2017 LTIP a conditional right to receive an amount of cash equal to the per-unit fair market value of the Company's ordinary shares and ADSs, respectively, on the settlement date. The LTIPs qualify as cash-settled share-based payment transactions. The Company recognizes the liabilities in respect of its obligations under the LTIPs, which are measured based on the Company's quoted market price of its ADSs at the reporting date, and takes into account the extent to which the services have been rendered to date.

Regarding the Company's 2018 and 2017 LTIPs, the respective quoted fair value of the awards on the grant date was US$7.90 and NT$33.45 (or US$1.10), based on the closing price per ADS on July 30, 2018 and the Taiwan share price on August 23, 2017, respectively. The quoted fair value on the reporting date is based on the closing price per ADS of US$3.60 as of December 31, 2018 and the closing price of Taiwan share price of NT$33.20 (or US$1.12) as of December 31, 2017, respectively.

The Company recognized total expenses of $25.3 million and $10.8 million in respect of the LTIP for the years ended December 31, 2018 and 2017, respectively. As of December 31, 2018 and 2017, the Company recognized compensation liabilities of $20.4 million and $5.8 million as current (classified as other payables), respectively, and $8.9 million and $4.8 million as non-current, respectively.

20. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

Operating leases relate to leases of office, parking space and copiers with lease terms between 1 and 5 years. The Group does not have a bargain purchase option to acquire the leased office, parking space and copiers at the expiration of the lease periods.

The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	December 31	
	2018	**2017**
No later than 1 year	$ 15,082	$ 16,463
Between 1 and 5 years	3,236	18,752
	$ 18,318	$ 35,215

21. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to safeguard cash as well as maintain financial liquidity and flexibility to support the development of its product candidates and programs as a going concern through the optimization of the debt and equity balance.

The Group's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to business growth opportunities and changes in economic conditions. The capital structure of the Group mainly consists of borrowings and equity of the Group. Key management personnel of the Group review the capital structure periodically. In order to maintain or balance the overall capital structure, the Group may adjust the amounts of long-term borrowings, or the issuance of new shares capital or other equity instruments.

As of December 31, 2018, there were no changes in the Group's capital management policy, and the Group is not subject to any externally imposed capital requirements.

22. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Group believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2018

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL				
Derivative financial assets	$ -	$ -	$ 1,834	$ 1,834
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Unlisted shares	$ -	$ 5,723	$ -	$ 5,723

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

The fair values of unlisted equity investments are measured on the basis of the prices of recent investment by third parties with the consideration of other factors that market participants would take into account.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of warrants are determined using option pricing models where the significant unobservable input is historical volatility. An increase in the historical volatility used in isolation would result in an increase in the fair value. As of December 31, 2018, the historical volatility used was 42.33%.

c. Categories of financial instruments

	December 31	
	2018	**2017**
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 1,834	$ -
Loans and receivables (1)	-	1,504,557
Financial assets at amortized cost (2)	888,858	-
Financial assets at FVTOCI		
Equity instruments	5,723	-
Financial liabilities		
Financial liabilities at amortized cost (3)	651,159	458,574

1) The balances include loans and receivables measured at amortized cost, which comprise cash and cash equivalents and refundable deposits.

2) The balances included financial assets at amortized cost, which comprise cash and cash equivalents and refundable deposits.

3) The balances include financial liabilities at amortized cost, which comprise trade payables, partial other payables and long-term borrowings.

d. Financial risk management objectives and policies

The Group's financial risk management objective is to monitor and manage the financial risks relating to the operations of the Group. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. In order to minimize the effect of financial risks, the Group devoted time and resources to identify and evaluate the uncertainty of the market to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group had foreign currency transactions, which exposed the Group to foreign currency risk.

The Group's significant financial assets and liabilities denominated in foreign currencies were as follows:

	December 31, 2018		
	Foreign Currencies	Exchange Rate	New Taiwan Dollar
Financial assets			
Monetary items			
SGD	$ 2,298	22.41	$ 51,502
Financial liabilities			
Monetary items			
SGD	13,516	22.41	303,034

	December 31, 2017		
	Foreign Currencies	Exchange Rate	New Taiwan Dollar
Financial assets			
Monetary items			
SGD	$ 1,778	22.18	$ 39,460
Financial liabilities			
Monetary items			
SGD	12,936	22.18	287,051

Sensitivity analysis

The Group is mainly exposed to the Singapore dollar.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar against the relevant foreign currency. The rate of 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items. A positive number below indicates a decrease in pre-tax loss where the New Taiwan dollar strengthens 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax loss, and the balances below would be negative.

	For the Year Ended December 31	
	2018	2017
Profit or loss		
SGD*	$ (12,577)	$ (12,380)

* This is mainly attributable to the exposure to outstanding deposits in banks and loans in foreign currency at the end of the reporting period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The sensitivity analysis below is determined based on the Group's exposure to interest rates for fixed rate borrowings at the end of the reporting period, and is prepared assuming that the amounts of liabilities outstanding at the end of the reporting period are outstanding for the whole year. A 100-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax loss for the years ended December 31, 2018 and 2017 would have decreased/increased by $3.0 million and $2.9 million, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group adopted a policy of only dealing with creditworthy counterparties and financial institutions, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group transacted with a large number of unrelated customers and thus, no concentration of credit risk was observed.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents that are deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of long-term borrowings and ensures compliance with loan covenants. The Group evaluates that, based upon the current operating plan, the existing capital resources will be sufficient to fund the anticipated operations for at least the next 12 months.

23. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Compensation of Key Management Personnel

	For the Year Ended December 31	
	2018	**2017**
Short-term employee benefits	$ 85,368	$ 97,049
Post-employment benefits	4,232	3,794
Share-based payments	23,840	24,285
	$ 113,440	$ 125,128

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

24. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1

2) Endorsements/guarantees provided: None

3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Table 2

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital: Table 3

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

9) Trading in derivative instruments: Note 7

10) Intercompany relationships and significant intercompany transactions: Table 4

11) Information on investees: Table 5

b. Information on investments in mainland China: Table 6

25. SEGMENT INFORMATION

The Group's chief operating decision maker, the Chief Executive Officer, reviews the Group's consolidated results when making decisions about the allocation of resources and when assessing performance of the Group as a whole, and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reporting. The basis of information reported to the chief operating decision maker is the same as the Group's consolidated financial statements. As the Group's long-lived assets are substantially located in and derived from Asia, no geographical segments are presented.

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Thousand)	Ending Balance (Thousand)	Actual Borrowing Amount (Thousand)	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
1	ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Australia Pty. Ltd.	Other receivables	Yes	US$ 5,000 ($ 154,670)	US$ 4,233 ($ 129,386)	US$ 910 ($ 27,812)	2%-6.45%	Short-term financing	$ -	Operating turnover	$ -	-	$ -	$ 675,525	$ 675,525	1, 2
1	ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Hong Kong Limited.	Other receivables	Yes	US$ 2,850 ($ 87,110)	US$ 1,400 ($ 42,791)	US$ 1,400 ($ 42,791)	2%	Short-term financing	-	Operating turnover	-	-	-	675,525	675,525	1, 2

Note 1: Restriction to loan amount

a. The amount loaned to a company that has a business relationship with the Company shall not exceed the monetary value of the previous year's business dealings or 4% of the Net Worth of the Company, whichever is lower. The aggregate value of loans shall not exceed 10% of the Net Worth of the Company.

b. The amount loaned to a company that has short-term financing needs shall not exceed 4% of the Net Worth of the Company. The aggregate value of loans shall not exceed 40% of the Net Worth of the Company.

Note 2: Accumulated balance of short-term loans between non-R.O.C. companies in which the Company holds, directly or indirectly, 100% of the voting shares are not subject to the limit of 40% of the Net Worth of the Company. However, in accordance with Article 3, subparagraph 4 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the aggregate and separate value of loans shall not exceed 100 % of the Net Worth of the lender Company.

TABLE 2

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2018				Note
				Shares	Carrying Amount (Note)	Percentage of Ownership (%)	Fair Value	
ASLAN Pharmaceuticals Pte. Ltd.	Shares DotBio Pte. Ltd.	-	Financial assets at FVTOCI	599,445	$ 5,723	2.56	$ 5,723	-

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount (Thousand)	Number of Shares	Amount (Thousand)	Number of Shares	Amount (Thousand)	Carrying Amount (Thousand)	Gain (Loss) on Disposal (Thousand)	Number of Shares	Amount (Thousand)
ASLAN Pharmaceuticals Limited	ASLAN Pharmaceuticals Pte. Ltd.	Investments accounted for using the equity method	ASLAN Pharmaceuticals Pte. Ltd.	From parent company to subsidiary	93,044,985	$ 3,393,603 (US$ 113,052)	22,994,375	$ 1,095,905 (US$ 36,791)	-	$ -	$ -	$ -	116,039,360	$ 4,489,508 (US$ 149,843)

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship	Transactions Details			% to Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	ASLAN Pharmaceuticals Limited	ASLAN Pharmaceuticals Taiwan Limited	From parent company to subsidiary	Other payables	$ 2,273	Note	0.14
1	ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Australia Pty Ltd.	Between subsidiaries	Other receivables	29,842	Note	1.85
		ASLAN Pharmaceuticals Australia Pty Ltd.	Between subsidiaries	Interest income	1,066	Note	0.07
		ASLAN Pharmaceuticals Taiwan Limited	Between subsidiaries	Other receivables	11,789	Note	0.73
		ASLAN Pharmaceuticals Taiwan Limited	Between subsidiaries	General and administrative expense	58,151	Note	3.60
		ASLAN Pharmaceuticals Hong Kong Limited	Between subsidiaries	Other receivables	45,377	Note	2.81
		ASLAN Pharmaceuticals Hong Kong Limited	Between subsidiaries	Interest income	551	Note	0.03
		ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	Between subsidiaries	Other receivables	1,756	Note	0.11

Note: For the transactions between the Company and related parties, the terms are similar to those transacted with unrelated parties.

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Thousand)		As of December 31, 2018			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2018	December 31, 2017	Shares	%	Carrying Amount			
ASLAN Pharmaceuticals Limited	ASLAN Pharmaceuticals Pte. Ltd.	Singapore	New drugs research	US$ 149,843	US$ 113,052	116,039,360	100	$ 675,525	$ (1,232,785)	$ (1,232,785)	Subsidiary
ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Taiwan Limited	Taiwan	New drugs research	US$ 167	US$ 167	500,000	100	8,430	2,865	2,865	Subsidiary
	ASLAN Pharmaceuticals Australia Pty Ltd.	Australia	New drugs research	-	-	1	100	(26,720)	(7,992)	(7,992)	Subsidiary
	ASLAN Pharmaceuticals Hong Kong Limited	Hong Kong	New drugs research	-	-	1	100	(37,350)	(29,769)	(29,769)	Subsidiary
	ASLAN Pharmaceuticals (USA) Inc.	United States of America	New drugs research	-	-	1	100	-	-	-	Subsidiary

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee	Main Businesses and Products	Total Amount of Paid-in Capital (Thousand)	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2018	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of December 31, 2018	Accumulated Inward Remittance of Earnings as of December 31, 2018	Note
					Outflow	Inflow							
ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	New drugs research and development	US$ 1,400	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	$ (29,086)	100	$ (29,086)	$ 6,386	Not applicable	Note 3

Investee	Accumulated Investment in Mainland China as of December 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Stipulated by Investment Commission, MOEA
ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	Not applicable	Not applicable	Not applicable

Note 1: Investments are divided into three categories as follows:

a. Direct investment.
b. Investments through a holding company registered in a third region.
c. Others.

Note 2: Recognition of investment gains (losses) was calculated based on the investee’s reviewed financial statements.

Note 3: The amount was eliminated upon consolidation.