Stock Code: 6497

ASLAN PHARMACEUTICALS

Annual Report 2018

Printed 31 March 2019
Taiwan Stock Exchange Market Observation Post System: http://mops.twse.com.tw

I. Company Spokesperson and Deputy Spokesperson

Name	Title	E-mail	Contact
Spokesperson			
Carl Firth	Chairman & CEO	carl.firth@aslanpharma.com	+65 6222 4235
Deputy Spokesperson			
Michael Chiang	IR & Finance Director	michael.chiang@aslanpharma.com	+886 2 2758 3333

II. Headquarters and branches

Name	Name (Mandarin)	Address	Contact
ASLAN Pharmaceuticals Limited	亞獅康股份有限公司	190 Elgin Avenue, George Town Grand Cayman KY1-9005 Cayman Islands	+886 2 2758 3333
ASLAN Pharmaceuticals Pte. Ltd.		83 Clemenceau Ave #12-03 UE Square, Singapore 239920	+65 6222 4235
ASLAN Pharmaceuticals Taiwan Limited	亞獅康股份有限公司	35F, 68 ZhongXiao E Rd Sec 5 Xinyi Dist, Taipei 110 Taiwan	+886 2 2758 3333
ASLAN Pharmaceuticals Australia Pty Ltd		58 Gipps Street, Collingwood Victoria 3066, Australia	+65 6222 4235
ASLAN Pharmaceuticals Hong Kong Limited	亞獅康藥業香港有限公司	Rm 303, 3F St. George's Building 2 Ice House Street, Central, Hong Kong	+65 6222 4235
ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	亞獅康醫藥技術(上海)有限公司	Room 4258-4259, 42/F, CITIC Pacific Plaza, 1168 Nanjing West Road, Jing'an District, Shanghai, China	+86 21 6121 2758
ASLAN Pharmaceuticals (USA) Inc.		251 Little Falls Drive, Wilmington, New Castle County Delaware, USA	+65 6222 4235

III. Name, address, website and contact details of corporate share transfer agent

Name	Address	Website	Contact
KGI Securities	5F, 2 Chongqing S Rd Sec 1, Taipei, Taiwan	http://www.kgieworld.com.tw	+886 2 2389 2999

IV. Names of CPAs auditing the financial statements in the most recent year, firm, address and contact details

Name(s)	Firm	Address	Website	Contact
張鼎聲 (Dien Chang), 吳怡君 (Jessie Wu)	Deloitte & Touche	20F, No. 100, Songren Rd., Xinyi Dist., Taipei, Taiwan	http://www.deloitte.com.tw/	+886 2 2725 9988

V. Foreign securities trade and exchange
ADSs Exchange: NASDAQ
Website: http://www.nasdaq.com
NASDAQ trading symbol: ASLN

VI. Company website
http://www.aslanpharma.com

VII. Board of Directors:

Title	Name	Gender	Nationality	Experience and academic background
Chairman & CEO	Carl Firth	Male	United Kingdom	Please refer to III. Corporate Governance Report
Representative of director	Abel Ang	Male	Singapore	
Representative of director	Jun Wu	Male	United States	
Representative of director	Damien Lim	Male	Singapore	
Independent director	Andrew Howden	Male	Australia	
Independent director	Chin-Feng Sun	Male	Taiwan, ROC	
Independent director	Robert E. Hoffman	Male	United States	

VIII. Agent (litigation and non-litigation) in the R.O.C.

Name	Title	E-mail	Contact
Wei, Hung-Chang	NA	hcwei317@gmail.com	+886 2 2758 3333

Table of Content

I. Report to Shareholders

Dear Shareholders

In 2018, we made significant progress in advancing our portfolio against a backdrop of volatile global markets. We have several key studies expected to read out in 2019 making this an important year for the company. We completed enrolment of our global pivotal trial (TreeTopp), testing *varlitinib* in second-line biliary tract cancer (BTC), ahead of schedule in 2018 and expect to announce topline data in the second half of 2019. This is, in fact, the largest global study ever run in biliary tract cancer. For our first-in-class DHODH inhibitor, ASLAN003, we published the first clinical data on this product candidate showing early signs of efficacy in acute myeloid leukemia (AML), and are continuing to recruit patients for the ongoing phase 2 study. We moved ASLAN004, a first-in-class drug targeting the IL-13 receptor, into the clinic and we expect to announce initial data from this study in the first half of 2019.

In early 2019, we also shared that our phase 2 study in first-line gastric cancer failed to meet its primary endpoint, though there was a trend towards increased tumour shrinkage in the *varlitinib* arm. Given the positive data we have generated in other indications and programs, we decided to focus our resources on our other key programs: *varlitinib* in biliary tract cancer, ASLAN003 in AML and ASLAN004 in atopic dermatitis.

In 2018, we became the first Singapore biotech to be listed in the US, and the first Taiwan-listed biotech to successfully complete a dual-listing on Nasdaq, raising US$42.2 million in May 2018. This has allowed us to engage with a new, broader group of investors, and we are pleased to welcome a number of additional high quality healthcare institutional investors as shareholders.

1. Review of 2018 and recent business highlights

Portfolio update

Varlitinib

- Completed enrolment for the *varlitinib* global pivotal TreeTopp study ahead of schedule. The study recruited 127 patients with BTC who have failed first line therapy from 56 sites worldwide including the US, Europe, Australia, Japan, Korea, and other Asia Pacific countries.
- Presented positive *varlitinib* data in first- line biliary tract cancer in combination with chemotherapy at American Society of Clinical Oncology Gastrointestinal Cancers Symposium (ASCO GI). The data demonstrated a response rate of 44% across all evaluable patients and a 60% response rate in the highest dose cohort, compared to historical rates of 26% with current standard of care treatment.
- Presented new data on *varlitinib* showing promising results in heavily pre-treated BTC and colorectal cancer patients at the 2018 European Society for Medical Oncology (ESMO) Congress.
- Announced study results from phase 2 study of *varlitinib* in first- line gastric cancer. In the study, *varlitinib* did not meet the primary endpoint of significant reductions in tumour size after 12 weeks of treatment.
- In an investigator initiated trial testing *varlitinib* in combination with paclitaxel and trastuzumab in neoadjuvant breast cancer, 3 out of 5 patients (60%) have demonstrated pathological complete response.
- New preclinical data on *varlitinib's* activity in triple negative breast cancer (TNBC) cell lines was published online in Cancers, a peer-reviewed oncology journal.

- In February 2019, ASLAN entered into an agreement with BioGenetics Co Ltd that granted exclusive commercialisation rights for *varlitinib* in all indications in South Korea. ASLAN received an upfront payment of US$2 million and can receive up to US$11 million in sales and development milestones. ASLAN is also eligible to receive tiered royalties on net sales from the high-teens to the mid-twenties range.

ASLAN003

- Completed third cohort in phase 2 trial testing ASLAN003 monotherapy in acute myeloid leukemia (AML). One patient remains on treatment and has been stable for over 4 months, with bone marrow blasts continuing to fall from the peak of 38% to 22% from the last biopsy.
- Presented new data at the American Society of Hematology Annual Meeting for ASLAN003 that showed early signs of safety and efficacy in relapsed and refractory AML patients.
- Submitted an Investigational New Drug (IND) application for ASLAN003 in the potential treatment of AML to the United States Food and Drug Administration (FDA) and the FDA concluded its 30-day review.
- Granted US Orphan Drug Designation by the US FDA for ASLAN003 as a treatment for AML.
- In March 2019, ASLAN entered into a second agreement with BioGenetics Co Ltd that granted exclusive commercialisation rights for ASLAN003 in all indications in South Korea. Under terms of the agreement, ASLAN received an upfront payment of US$1 million and is eligible to receive up to US$8 million in sales and development milestones. ASLAN is also eligible to receive tiered royalties on net sales from the high-teens to the mid-twenties range.

ASLAN004

- Initiated a phase 1 single ascending dose (SAD) study investigating ASLAN004 as a therapeutic antibody for atopic dermatitis.
- Final patient was dosed in the phase 1 SAD study in March 2019.

Corporate update

- Completed successful IPO in the US that raised gross proceeds of US$42.2 million and began trading on Nasdaq in May 2018.
- Appointed Robert E. Hoffman, an experienced pharmaceutical industry leader, as an Independent Non-Executive Director.

Financials

In 2018, our R&D costs were US$31.8 million (NT$959 million), up from US$30.4 million (NT$920 million) in 2017; and other operating costs were US$10.5 million (NT$317 million), up from US$8.8 million (NT$265 million) in 2017. In 2018, our operating losses widened to US$42.3 million or US$0.28 loss per share (NT$ 1,276 million or NT$8.49 loss per share) up from US$39.1 million or US$0.32 loss per share (NT$1,186 million or NT$9.71 loss per share) in 2017 due to increased clinical development activities.

2. Plans for 2019

We expect to deliver a number of significant potential milestones from key clinical programs in 2019:

- Topline global pivotal trial (TreeTopp) data on *varlitinib* as second line treatment for biliary tract cancer in the second half of 2019.
- Part 1 readout of ASLAN003 phase 2 trial in the first half of 2019.
- Completion of single ascending dose trial for ASLAN004 in the first half of 2019.

3. Impact of external factors

In the final quarter of 2018, we saw a significant pullback in the US equity markets amidst uncertainty around the macroeconomic environment. Small-cap biotech companies with limited liquidity were particularly hit. The early months of 2019 have seen a modest recovery though there remains a great deal of uncertainty ahead, which creates a volatile financing environment. In response, we have lowered our operating costs and have strived to balance preservation of longer-term commercial value with licensing deals that could de-risk selected programs and geographies by generating non-dilutive capital.

We have continued to see changes in the pharmaceutical industry in China. Building on the regulatory changes in 2017, which have shortened approval timelines and provided pathways for approval based on data generated overseas, we have seen further reforms in the reimbursement landscape. Historically, companies have had to wait several years before securing national reimbursement. Under new rules, certain drugs are being admitted to the reimbursement list very shortly after drug approval, which has the potential to dramatically accelerate the take-up of innovative drugs in China. We believe these changes are positive for ASLAN given our focus on Asia and China prevalent cancers.

I look forward to updating you on our progress in the year ahead.

Dr Carl Firth
Chairman
ASLAN Pharmaceuticals Limited

II. Company Overview

1. Establishment date: 23 June 2014

2. Company and group history

Key Milestones / Year	Corporate	R&D
2010	• April: ASLAN Pharmaceuticals Pte. Ltd. was founded by Dr Carl Firth (CEO), Dr Mark McHale (COO), Jeffrey Tomlinson (CBO), and Dr Alan Barge • July: Raised US$2.4 million in seed round	
2011	• April: Raised US$2.6 million in Series A • Best Company in an Emerging Market (Scrip finalist)	• July: In-licensed ASLAN001 (*varlitinib*) from Array BioPharma with exclusive global rights • November: In-licensed ASLAN002 from BMS with exclusive rights in Asia
2012	• Most Promising Company of the Year (ChinaBio winner) • Small Business Rising Star (British Chamber winner) • Young Professional of Year (British Chamber finalist) • Best Company in an Emerging Market (Scrip finalist) • Best Management Team of the Year (Scrip finalist)	• May: In-licensed ASLAN003 from Almirall with exclusive global rights
2013	• October: Raised US$22 million in Series B • Awarded Red Herring Top 100 (Asia) • Finalist for Red Herring Top 100 (Global), ASLAN is the only Asian company in the finalist • November: Founded ASLAN Pharmaceuticals Taiwan Limited	• March: Validated RON mechanism of action in animal models, and demonstrated ASLAN002 is the most potent RON inhibitor in the class and that animal models showed profound reduction in bone metastases in response to exposure • May: Completed *varlitinib* Phase 2A clinical trial and demonstrated that the drug can inhibit cell proliferation and cell growth in gastric cancer patients that are co-expressing HER1 and HER2. This is the first drug ever to have shown such activity in this patient population
2014	• July: Founded ASLAN Pharmaceuticals Australia Pty Ltd in Australia • September: Completed group holding structure; ASLAN Pharmaceuticals Limited became the holding company of ASLAN Pharmaceuticals Pte. Ltd. • CEO Carl Firth was recognised as one of SCRIP's top 10 pharmaceutical leaders	• May: In-licensed ASLAN004 from CSL Limited with exclusive global rights
2015	• March: Dr Bertil Lindmark, previously Almirall's Global Head of R&D, joined ASLAN as CSO • July: Founded ASLAN Pharmaceuticals Hong Kong Limited in Hong Kong • October: Signed out-licensing agreement with Hyundai Pharma to develop and commercialise *varlitinib* in CCA in Korea	• January: Filed IND with CFDA to open sites in China for *varlitinib* breast cancer phase 2A/B study • March: Completed phase 1 study with ASLAN002 showing it is safe and well-tolerated, with encouraging signs of efficacy • August: US FDA granted ASLAN orphan status for *varlitinib* in cholangiocarcinoma • September: Received approval of its Clinical Trial Applications in Singapore and Taiwan to conduct a phase 2 study to assess the efficacy of *varlitinib* in second-line cholangiocarcinoma
2016	• January: Raised US$41 million in Series C • January: Formed Scientific Advisory Board with world-leading experts. • Named Asian Biotech of the Year (BioPharm Asia) • Carl Firth was shortlisted for "Pharma Executive of the Year" (BioPharm Asia) • May: Founded ASLAN Pharmaceuticals (Shanghai) Co. Ltd. in China • June: Converted preferred shares into ordinary shares, split all issued shares at 1:2, converted par value from US$0.001 to NT$10, and issued new shares for capital increase in cash. The total paid-in capital was NT$1,156,709,400 with total issued ordinary shares of 115,670,940 shares • June: Raised US$22 million in pre-IPO funding • November: Ben Goodger, previously senior partner and head of IP and licensing at UK law firm Osborne Clarke,	• January: IND approved in China for *varlitinib* in breast cancer • April: Posted new data for *varlitinib* in AACR • June: US FDA granted ASLAN orphan status for *varlitinib* in a second indication, gastric cancer • June: Presented new data for *varlitinib* at ASCO • July: BMS acquired rights to ASLAN002 paying ASLAN upfront of US$10 million, with eligibility to receive milestones of over US$50 million and royalties on global sales • July: Received approval of its Clinical Trial Applications in Singapore and Taiwan to conduct a phase 2 study to assess the efficacy of *varlitinib* in combination with gemcitabine and cisplatin in first-line cholangiocarcinoma • September: In-licensed rights for novel RON antibody from Singapore's A*STAR

Key Milestones / Year	Corporate	R&D
	joins ASLAN as General Counsel	• October: Entered into licensing and research collaboration agreement for the development of modybodies
2017	• January: Received approval from Taipei Exchange to list • Won the inaugural 'BioSingapore Innovative Biomedical Company' award • June: Listed on the Taipei Exchange • July: Dr Carl Firth appointed to Singapore's Health and Biomedical Sciences International Advisory Council	• February: Announced positive data from a phase 2 study of *varlitinib* in breast cancer • February: Announced publication of Phase 1 data for ASLAN002 in Science Translational Medicine • February: Received Orphan drug designation from the Korean Ministry of Food and Drug Safety (MFDS) • February: Announced first patient enrolled in Phase 1 study of *varlitinib* in Japan • April: Initiated global pivotal study for *varlitinib* in biliary tract cancer • June: Receipt of clinical trial authorisation from Singapore's Health Sciences Authority to initiate a pivotal study of *varlitinib* for the treatment of gastric cancer • June: Announced first patient enrolled in global TreeTopp study for *varlitinib* in biliary tract cancer • June: Announced new positive data identifying ASLAN003 as a novel therapeutic agent in Acute Myeloid Leukaemia • August: Announces first patient enrolled in a global phase 2/3 study for *varlitinib* in gastric cancer • November: Received IND approval in Singapore to initiate phase 2 study of ASLAN003 in Acute Myeloid Leukaemia
2018	• January: Acquired full global commercial rights for *varlitinib* from Array BioPharma • January: Received approval from FSC on issuance of ordinary shares for the purpose of sponsoring the issuance of American Depository Receipts • May: Priced initial public offering of its American Depositary Shares (ADSs) • October: announced newly elected independent director • October: Incorporated ASLAN Pharmaceuticals (USA) Inc. in Delaware, USA • December: received FSC approval for issuing ordinary shares for sponsoring the issuance of American Depository Receipts	• January: announced shortened timeline to commercialisation for *varlitinib* in China • January: *varlitinib* won Best Poster Award at ESMO Asia 2017 • August: completed recruitment for global phase 2 study for *varlitinib* in first-line gastric cancer • August: received Orphan Drug Designation from the U.S. FDA for ASLAN003 in Acute Myeloid Leukaemia • August: ASLAN004-001 study received the first IND approval from the Singapore Health Sciences Authority (HSA) • September: provided update on timelines for clinical trial of *varlitinib* in biliary tract cancer in China • October: presented posters on *varlitinib* and ASLAN003 at ESMO • October: dosed the first subject in the ASLAN004-001 Study • December: presented new data on ASLAN003 at American Society of Hematology (ASH) Annual Meeting
2019	• January: Announced strategic prioritisation of clinical development programs and corporate restructuring • February: Announced partnership with BIOGENETICS on commercialisation of *varlitinib* in South Korea • March: Announced partnership with BIOGENETICS for commercialisation of ASLAN003 in South Korea	• January: Completed enrolment for global pivotal TreeTopp study ahead of schedule • January: Announced IND submission for ASLAN003 to US FDA and conclusion of 30-day review period • January: Announced study results from global phase 2 study for *varlitinib* in first-line gastric cancer • January: Presented positive *varlitinib* data in first-line biliary tract cancer in combination with chemotherapy at ASCO GI • March: Completed first part of single dose study for ASLAN004 targeting atopic dermatitis

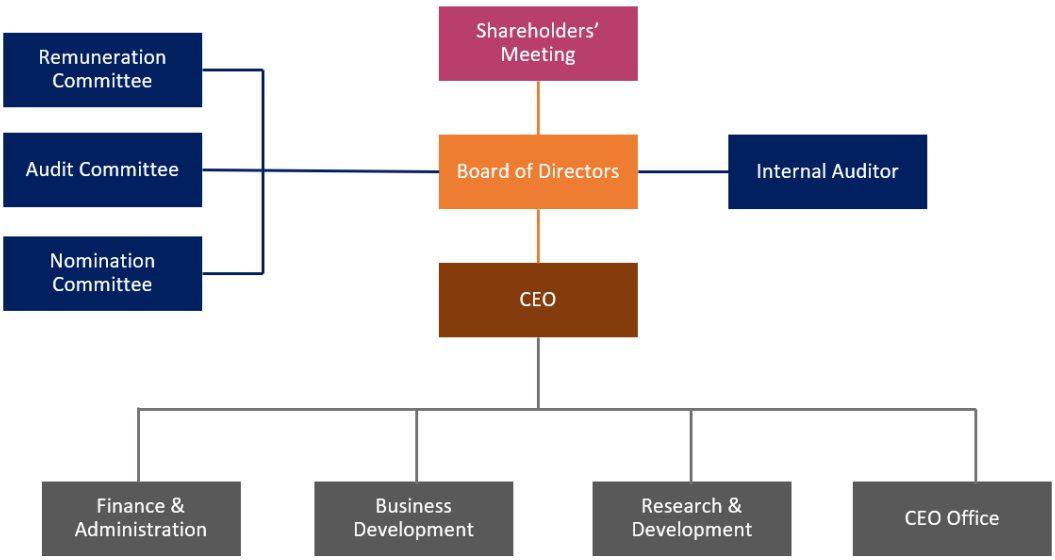
3. Company overview and structure: Please refer to VIII. Special Recorded Matters

4. Risk assessment: Please refer to V. Business Overview

III. Corporate Governance Report

1. Organisation

a. Structure



b. Functions

Name of Department	Functions
CEO Office	1. General management 2. Investor relations 3. Public relations 4. Corporate development 5. Legal
Research and Development	1. Clinical Operations a. Submit IND applications to regulatory authorities and IRB b. Implementation and management of clinical studies c. Delivery of final clinical study reports 2. Medical Operations a. Design the clinical studies and programmes b. Work with statisticians to define study endpoints and sizing c. Overview pharmacovigilance and secure patient safety, adequate medical input and regulatory quality 3. Research Operations a. Design, implementation and management of strategic scientific collaborations b. Management and delivery of ASLAN biologics portfolio into development c. Management of strategic alliances 4. Manufacturing a. Manufacture of GMP biologicals b. CMC c. GMP manufacture of small molecule drug product and substance via CMOs
Business Development	1. In-license compounds 2. Out-license compounds 3. Alliance management
Finance and Admin	1. Management & Statutory accounts preparation 2. Financial Reporting 3. Accounts payable & Receivable 4. TPEx-listing and Stock Affairs Management 5. Tax planning 6. Budget/Forecast preparation 7. Treasury 8. Business partnering 9. Human resources 10. Office administration

2. Information of Director, Supervisor, General Manager, Deputy General Manager, Assistant General Manager, and Department Heads

a. Director and supervisor information

i. Director and supervisor information:

31 March 2019, Units: Shares in thousands, %

Title	Nationality or country of registration	Name	Gender	Date of appoint-ment	Office term	Date of first appoint-ment	Shares held at time of appointment (Note 1)		Shares currently held		Shares currently held by spouse and children		Shares held under names of others		Experience and academic background	Positions currently held in ASLAN and other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							No.	%	No.	%	No.	%	No.	%			Title	Name	Relation
Chairman & CEO	United Kingdom	Carl Firth	Male	15 Apr 2016	3	23 Jun 2014	-	-	-	-	-	-	3,344 (Note 2)	2.09	• PhD in Molecular Biology, from Trinity College, Cambridge University • Executive MBA from London Business School • Master of Arts and Bachelor of Arts in Natural Science from Trinity College, Cambridge University • Head of Asia Healthcare at Bank of America Merrill Lynch • Regional Business Development Director Asia Pacific, AstraZeneca • Director of New Product Development China, AstraZeneca • Associate Director, Bioinformatics, AstraZeneca	• Director of ASLAN Pharmaceuticals Pte Ltd • Chairman of ASLAN Pharmaceuticals Taiwan Co Ltd • Director of ASLAN Pharmaceuticals Australia Pty Ltd • Director of ASLAN Pharmaceuticals (Hong Kong) Limited • Director of ASLAN Pharmaceuticals (USA) Inc. • Director of Kimba Capital Limited • Director of Liberty Park Music Pte Ltd • Director of DotBio Pte Ltd • INED Director of Accelerate Technologies Pte Ltd • INED of Hummingbird Biosicence Holdings Pte Ltd	-	-	-
Director	Singapore	Advanced Medtech Holdings Pte Ltd (Note3)	-	15 Apr 2016	3	15 Apr 2016	1,064	2.2	2,127	1.33	-	-	-	-	-	-	-	-	-
Representative of director	Singapore	Abel Ang	Male	-	-	-	-	-	-	-	-	-	-	-	• Master of Science in Computational Biology from Rutgers University in New Jersey • Bachelor of Communication Studies (First Class) from NTU • Senior Advisor to the CEO of Greatbatch Inc • President for the Asia Pacific region, Chief Technology Officer, Hill-Rom Inc	• Director of Ultrona Pte Ltd • Director of Accelerate Technologies Pte Ltd • Director of Economic Development Innovations Singapore Pte Ltd (EDIS) • Director of Advanced Medtech Holdings Pte Ltd • Director of Dornier MedTech Asia Pte Ltd Singapore • Director of Dornier MedTech Japan Co Ltd Japan • Managing Director of DMT MedTech GmbH Germany • Managing Director of Dornier MedTech Europe GmbH Germany • Managing Director of Dornier MedTech Laser GmbH Germany • Managing Director of Dornier MedTech Systems GmbH Germany • Managing Director of Dornier MedTech GmbH Germany • Director of Dornier MedTech America Inc. America • Director of EDIS Austin Pte Ltd • Director of Enoquix Sdn Bhd • Director of Onsponge Interact Pte Ltd • Director of AMT Pte Ltd • Managing Director of AMT Nexus GmbH • Director of AMT Nexus Inc (United States) • Director of Jobtech Pte Ltd • Director of Awak Technologies Pte Ltd • Director of Advent Access Pte Ltd • Member of Singhealth Medical Technology Office Advisory Panel • Member of National University of Singapore Biomedical	-	-	-

Title	Nationality or country of registration	Name	Gender	Date of appoint-ment	Office term	Date of first appoint-ment	Shares held at time of appointment (Note 1)		Shares currently held		Shares currently held by spouse and children		Shares held under names of others		Experience and academic background	Positions currently held in ASLAN and other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							No.	%	No.	%	No.	%	No.	%			Title	Name	Relation
																Engineering Departmental Consultative Committee • Member of Nanyang Technological University Strategic Research Innovation Fund Investment Committee • Member of Health Sciences Authority Medical Device Industry Review Committee • Member of AWAK Technologies Executive Committee • Member of Advent Access Executive Committee • COO of Accuron Technologies Ltd			
Director	The Cayman Islands	Alnair Investment	-	15 Apr 2016	3	15 Apr 2016	4,412	9.2	8,823	5.51	-	-	-	-	-	-	-	-	-
Representative of director	United States	Jun Wu	Male	-	-	-	-	-	-	-	-	-	1,064	0.66	• PhD, University of California at San Francisco • Bachelor of Science, Biological Science, San Jose State University	• Director of Optomed Oy • Director of Vivace Therapeutics, Inc • Director of Jing Medicine Technology (Shanghai) Ltd • Director of Shanghai Aohua Photoelectricity Endoscope Co, Ltd • Director of Etongonline Shanghai Medical Consulting Co, Ltd • Director of Shanghai Lianji Biotechnology Co, Ltd • Director of Shanghai EnsurLink Ltd • Director of Shanghai Yao Shi Quan Cloud Health Technology Development Ltd • Director of Start (Shanghai) Pharmaceutical Technology Ltd • Director of Suzhou SceneRay Corporation, Ltd • Director of Luqa Ventures Co., Limited • Director of Cheng Heng Health Science and Technology Holdings Limited • Director of HK Doctorlink internet Tech Co Ltd • Director of Choice Technology Inc • Director of Silver Wing Intelligent Solutions Medical Technology (Beijing) Co. Ltd • Legal representative of Shanghai Cenova Ruihong Investment Management Ltd • Legal representative of Shanghai Cenova Venture Capital Investment Management Ltd • Legal representative of Shanghai Baihong Pharmaceutical Technology Consulting Ltd • Legal representative of Shanghai Tangze Investment Development Ltd • CEO of Shanghai Cenova bio-pharmaceuticals Venture Investment Ltd • Legal representative of Shanghai Cenova Bioventure Venture Capital Management Co, Ltd • CEO of Shanghai Cenova Venture Capital Center, LP • CEO of Shanghai Cenova Bioventure Equity Investment Fund Management Enterprise LP • Legal representative of Shanghai Cenova Xinghe Venture Capital Investment Management Co, Ltd • CEO of Shanghai Cenova Xinghe Equity Investment Fund Management GP, LP • CEO of Shanghai Cenova Xinghe Investment Management GP, LP • CEO of Shanghai Cenova Xinghe Venture Capital Center, LP • CEO of Shanghai Cenova Xinghe Equity Investment Fund, LP • Director of Alnair Investment • Director of RuiKang Investment Ltd • Director of Novoasis Investment Ltd	-	-	-

Title	Nationality or country of registration	Name	Gender	Date of appoint-ment	Office term	Date of first appoint-ment	Shares held at time of appointment (Note 1)		Shares currently held		Shares currently held by spouse and children		Shares held under names of others		Experience and academic background	Positions currently held in ASLAN and other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							No.	%	No.	%	No.	%	No.	%			Title	Name	Relation
																• Director of Cenova China Healthcare GP IV Ltd • Director of Cenova Management Advisors Ltd • Director of ASLAN Pharmaceuticals Pte. Ltd • Director of Cenova HK Healthcare Fund IV Limited • Director of Shanghai Jijing Management and Consulting Limited Partnership • Director of Shanghai JiYu Management and Consulting Limited Partnership • Director of Shanghai Jijie Management and Consulting Limited Partnership			
Director	Singapore	BV Healthcare II Pte Ltd	-	15 Apr 2016	3	15 Apr 2016	3,771	7.9	7,542	4.71	-	-	-	-	-	-	-	-	-
Representative of director	Singapore	Damien Lim	Male	-	-	-	-	-	-	-	-	-	-	-	• BBA from the University of Houston • General Partner, BioVeda Capital Singapore • Director of Investments, PrimePartners • Asset management at Vickers Ballas and corporate finance at Morgan Grenfell Asia	• Director of ASLAN Pharmaceuticals Pte Ltd • Director of Mach7 Technologies Ltd • Director of 68 Holdings Pte Ltd • Director of AFA Management LLC • Director of BioMers Pte Ltd • Director of BioVeda Capital Pte Ltd • Director of BioVeda Capital Singapore Pte Ltd • Director of BioVeda Fund Pte Ltd • Director of BV Healthcare II Pte Ltd • Director of China Live, LLC • Director of Chrysler Jeep Automotive of Singapore Pte Ltd • Director of Clearbridge BSA Pte Ltd • Director of Excelfin Pte Ltd • Director of ExCL Inc. • Director of ExCL (SF) Inc. • Director of HRH Merchandise Singapore Pte Ltd • Director of Hundred Acres Pte Ltd • Director of IFC Holdings Pte Ltd • Director of Integrated Food Concepts Pte Ltd • Director of Ital Auto Pte Ltd • Director of Komoco (China) Pte Ltd • Director of Komoco Car Rentals Pte Ltd • Director of Komoco Holdings Pte Ltd • Director of Komoco Investments Pte Ltd • Director of Komoco Motorcycles Pte Ltd • Director of Komoco Motors (M) Sdn Bhd • Director of Komoco Motors Pte Ltd • Director of Komoco Properties Pte Ltd • Director of Komoco Trading Pte Ltd • Director of Leisure Ventures Pte Ltd • Director of LV Hotel Investment (West) Pte Ltd • Director of LV Investments (USA) Pte Ltd • Director of LV Resort (Thailand) Pte Ltd • Director of MBSA Automotive Malaysia Sdn Bhd • Director of Mojo Partners Pte Ltd • Director of MSC Hotel Investments Coöperatie U.A. • Director of Nusantara Jutamas Sdn. Bhd. • Director of Presto Television Pte Ltd	-	-	-

Title	Nationality or country of registration	Name	Gender	Date of appoint-ment	Office term	Date of first appoint-ment	Shares held at time of appointment (Note 1)		Shares currently held		Shares currently held by spouse and children		Shares held under names of others		Experience and academic background	Positions currently held in ASLAN and other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							No.	%	No.	%	No.	%	No.	%			Title	Name	Relation
																• Director of Promus Private Limited • Director of Singapore Advanced Biologics Pte Ltd • Director of The Yamu Club Villa Ltd • Director of The Yamu Limited • Director of Tridente Automobili Pte Ltd • Director of Yottabyt Pte Ltd • Director of Zenith Securities Pte Ltd			
Independent Director	Australia	Andrew Howden	Male	15 Apr 2016	3	9 Feb 2016	219	0.5	439	0.27	-	-	-	-	• Bachelor of Science, and Masters of Commerce from the University of New South Wales, Australia • Regional Vice President of Asia Pacific, AstraZeneca • President of Asia Pacific, IMS Health • Senior Managing roles at Quintiles • CEO of iNova Pharmaceuticals	• Director of Aspen Nutritionals Hong Kong Limited • Director of Howden Family Investments Pty Ltd • Director of JANK Howden Pty Ltd • Chairman of First Pharma Pty Ltd • Chairman of True Origins Company Pty Ltd	-	-	-
Independent Director	Taiwan ROC	Chin-Feng Sun	Male	15 Apr 2016	3	15 Apr 2016	-	-	-	-	-	-	-	-	• Master of Materials Science, Wayne State University • MBA, University of Michigan at Ann Arbor • College of Mining and Metallurgical Engineering, National Taipei Institute of Technology • Senior officer at Chengxin VC Group • Director of Asian Engineering Center of Emerson Electric • Financial analyst of United Tech-Carrier • R&D Section Leader at Prime Optical Fiber	• General Manager and Director of SAGA UNITEK • Independent Director of TWi Pharmaceuticals, Inc • Independent Director of TAH TONG TEXTILE CO, Ltd • Independent Director of WONDERFUL HI-TECH Co, Ltd • Supervisor of Pixon Technologies Corporation • Supervisor of weGoLuck • Chairman of FITEK PHOTONICS Corporation • Chairman of 賽加投資股份有限公司 • Chairman of 康群創業投資股份有限公司 • Chairman of 揚慶有限公司 • Director of 盛達創業投資股份有限公司 • Director of 順成豐開發股份有限公司 • Director of Lytone Co, Ltd • Director of Signax Technology Capital Inc.	-	-	-
Independent Director	United States	Robert E. Hoffman	Male	30 Oct 2018	3	30 Oct 2018	-	-	-	-	-	-	-	-	• Saint Bonaventure University, B.B.A. in Accounting • Board Member & Audit Committee Chair - CombiMatrix Corp. – acquired in November 2017 • Board Member & Audit Committee Member - MabVax Therapeutics – rolled off in June 2017 • Advisory Committee Member to the Financial Accounting Standards Board • Financial Executives Inter. Member (President 2006-2007, Board Member 2003-2010) • Association of Bioscience Financial Officers Board Member • San Diego County Credit Union Board Member (2001-2011) ($5.5 billion credit union) Day for Change Board Member (Named 2005 Volunteer of the Year) • Executive Vice President and Chief Financial Officer – Innovus Pharmaceuticals, Inc. San Diego – September 2016 to April 2017 • Chief Financial Officer – AnaptysBio, Inc. San	• Chief Financial Officer and Senior Vice President, Finance-Heron Therapeutics, Inc. (Nasdaq: HRTX) • Board member & Audit Committee Chair – Kura Oncology (Nasdaq: KURA) • Board member, Chairman of the Board - DelMar Pharmaceuticals (Nasdaq: DMPI) • Board Member & Audit Committee Chair – Aravive, Inc. (Nasdaq: ARAV)	-	-	-

Title	Nationality or country of registration	Name	Gender	Date of appoint-ment	Office term	Date of first appoint-ment	Shares held at time of appointment (Note 1)		Shares currently held		Shares currently held by spouse and children		Shares held under names of others		Experience and academic background	Positions currently held in ASLAN and other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							No.	%	No.	%	No.	%	No.	%			Title	Name	Relation
															Diego – July 2015 to September 2016 • Chief Financial Officer – Arena Pharmaceuticals, Inc. San Diego - 2005 to 2015,Vice President, Finance – 2000 to 2005 Controller – 1997 to 2000				

Note 1: ASLAN converted preferred shares into ordinary shares with EGM approval dated 27 May 2016 to prepare for its Taiwan listing. With a record date of 27 May 2016, the par value was changed from US$0.001 to NT$10 (the shares relating to the date of appointment were counted in par value of US$0.001, including both ordinary and preferred shares). The shares were further split into 1:2.

Note 2: Including number of shares held by Kimba Capital Ltd on behalf of Carl Firth.

Note 3: Advanced Medtech Holdings Pte Ltd. resigned from the Board of Director on 26th April 2019.

ii. Institutional directors shall further indicate the names of its 10 largest shareholders and the holding percentage of each. If any of those 10 largest shareholders is an institutional shareholder, the name of the corporate shareholder and the names of its 10 largest shareholders and the holding percentage of each shall be noted:

1) Major shareholders of institutional directors in ASLAN

31 Mar 2019

Institutional directors	Main investors
Advance Medtech Holdings Pte. Ltd.	Accuron Technologies Ltd. (100%)
Alnair Investment	Shanghai Cenova Innovation Venture Fund (Limited Partnership) (100%)
BV Healthcare II Pte. Ltd.	NRF Holdings Pte. Ltd. (47.6%) Sagamore Healthcare I, L.P. (33.3%) Reef Investments Pte. Ltd. (9.5%) 70G Ltd. (4.8%) Bioveda Capital Singapore Pte. Ltd. (3.6%) Kho Choon Joo (1.2%)

2) Major shareholders of institutional directors' main investors

31 Mar 2019

Main investor	Major shareholders
Accuron Technologies Ltd.	Temasek Holdings (Private) Ltd. (100%)
Shanghai Cenova Innovation Venture Fund (Limited Partnership)	Shanghai MSD Pharmaceutical Trading Co, Ltd. (49.5%) Shanghai Venture Capital Company, Ltd. (16.5%) Shanghai Yangpu Technology Venture Group Limited Company (4.1%) Shanghai Yangpu Finance Development and Service Center (12.4%) Shanghai United Investment Co, Ltd. (16.5%) Shanghai Cenova Bioventure Equity Investment Fund Management Enterprise (Limited Partnership) (1%)
NRF Holdings Pte. Ltd.	Ministry of Finance of Singapore holds 100% of the NRF Holdings Pte. Ltd. shares
Sagamore Healthcare I, LP	Panevino Investments Ltd. (95%) Windhill Holdings, LLC. (2.5%) Seres Investments Ltd. (2.5%)
Reef Investments Pte. Ltd.	Reef Holdings Pte. Ltd. (100%)
70G Ltd.	Juanita Fu (100%)
Bioveda Capital Singapore Pte. Ltd.	Damien Lim (88.2%); Kho Choon Joo (11.8%)

iii. Independence and professional knowledge of Directors

Name	Meet one of the following professional qualification requirements, together with at least five years of work experience			Independence compliance (Note)										Number of concurrent independent directorships in other public companies
	An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university;	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.	Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company	1	2	3	4	5	6	7	8	9	10	
Director: Carl Firth	✓	-	✓	-	-	-	✓	✓	✓	✓	✓	✓	✓	0
Director: Advance Medtech Holdings Pte. Ltd. Representative: Abel Ang	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	0
Director: Alnair Investment Representative: Jun Wu	-	-	✓	✓	-	✓	✓	-	✓	✓	✓	✓	-	0
Director: BV Healthcare II Pte. Ltd. Representative: Damien Lim	-	-	✓	✓	-	✓	✓	-	✓	✓	✓	✓	-	0
Independent Director: Andrew Howden	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director: Chin-Feng Sun	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Independent Director: Robert E. Hoffman	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note: Please check '✓' if the director or supervisor meets the qualification listed below in the two years prior to the appointment and/or during the office term:

1. Not an employee of the Company or its affiliate.
2. Not a director or supervisor of the affiliates of the Company (independent directors of the Company or the parent company or the subsidiaries that were set as per Securities and Exchange Act or the laws and regulations of the country where the Company is registered are excluded).
3. Not a natural-person shareholder who holds over 1% of the Company's total issued shares either in his/her own name or in his/her spouse and children's names or in the names of others, and does not rank among the top ten shareholders.
4. Not a spouse, or a relative within the first two degrees or a direct relative of the first three degrees of kinship with any of the persons listed in the three preceding subparagraphs.
5. Not a director, supervisor or employee of an institutional shareholder directly holding over 5% of the Company's total issued shares or a director, supervisor or employee of an institutional shareholder ranking among the top five institutional shareholders.
6. Not a director, supervisor or manager or holding over 5% of the shares of a specific company or organisation having financial or business relations with the Company.
7. Not a specialist, sole owner, business partner, director, supervisor, manager or a spouse of any of the aforementioned business providing the Company or its affiliate with business, legal, financial, accounting or counselling service. Remuneration Committee members exercising their duties in accordance with Article 7 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company whose stock is listed on the Stock Exchange or traded over the counter are excluded.
8. Not a spouse or a relative within the first two degrees of kinship with any other director of the Company.
9. None of the situations specified in the subparagraphs of Article 30 of the Company Act.
10. Not elected as a representative for the government or an institutional director in accordance with Article 27 of the Company Act.

b. Information of General Manager, Deputy General Manager, Assistant General Manager, and head of department and branch

31 March 2019, Units: Shares in thousands, %

Title	Nationality	Name	Gender	Start date	Shares held		Shares held by spouse or children		Shares held under related parties		Experience and academic background	Positions held in other companies	Spouse or relatives holding managerial positions		
					No of shares	%	No. of shares	%	No of shares	%			Title	Name	Relation
Chairman & CEO	United Kingdom	Carl Firth	Male	1 Jan 2011	-	-	-	-	3,344 (Note 1)	2.09	• PhD in Molecular Biology, from Trinity College, Cambridge University • Executive MBA from London Business School • Master of Arts and Bachelor of Arts in Natural Science from Trinity College, Cambridge University • Head of Asia Healthcare at Bank of America Merrill Lynch • Regional Business Development Director Asia Pacific, AstraZeneca • Director of New Product Development China, AstraZeneca • Associate Director, Bioinformatics, AstraZeneca	• Director of ASLAN Pharmaceuticals Pte. Ltd. • Chairman of ASLAN Pharmaceuticals Taiwan Limited • Director of ASLAN Pharmaceuticals Australia Pty Ltd • Director of ASLAN Pharmaceuticals Hong Kong Limited • Director of ASLAN Pharmaceuticals (USA) Inc. • INED of Singapore's Hummingbird Biosciences • INED of Accelerate Technologies Pte Ltd • Director of Kimba Capital Ltd • Director of Liberty Park Music Pte Ltd • Director of DotBio Pte Ltd	-	-	-
CDO & Head of R&D (Note 3)	United Kingdom	Mark McHale	Male	7 Feb 2011	-	-	-	-	1,432 (Note 2)	0.89	• PhD in Molecular Biology, University of East Anglia UK • B.Sc. from University of London UK • Head of Molecular Sciences at AstraZeneca, Respiratory & Inflammation	• Director of ASLAN Pharmaceuticals Taiwan Limited • Director of Match Point Developments Ltd	-	-	-
General Counsel	United Kingdom	Ben Goodger	Male	1 Nov 2016	100	0.06	-	-	-	-	• MA in English Literature & Language from Oxford University (Exhibitioner, Keble College); Solicitor of England & Wales, enrolled October 1986 • Partner and Head of Intellectual Property (IP) Licensing and Transactions with Osborne Clarke, UK • Partner, Head of IP Commercialisation, Edwards Wildman, London • Managing, Head of IP Commercial, Rouse & Co International, London, Oxford, Shanghai • President of Licensing Executives Society (LES)	• Director of ASLAN Pharmaceuticals Taiwan Limited • Director of ASLAN Pharmaceuticals Australia Pty Ltd • Director of ASLAN Pharmaceuticals Hong Kong Limited • Director of ASLAN Pharmaceuticals (Shanghai) Co. Ltd. • Director of ASLAN Pharmaceuticals (USA) Inc.	-	-	-
VP Finance	India	Kiran Asarpota	Male	15 Nov 2010	68	0.04	-	-	18	0.01	• MBA, London South Bank University, UK • Bachelor of Business Management from Oxford Brookes • Group Finance Director, Global Brands Group	• Supervisor of ASLAN Pharmaceuticals Taiwan Limited • Supervisor of ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	-	-	-
CBO	United Kingdom	Stephen Doyle	Male	19 Jan 2018	-	-	-	-	-	-	• VP& Head of Specialty Care at Boehringer Ingelheim GmbH • VP of Oncology at Sanofi S.A. in Shanghai, Haematology& Transplantation • Regional Commercial Director at Sanofi-aventis, oncology • Director and Head of Scientific Communication at Sanofi- aventis • Bachelor in Pharmacy from The Robert Gordon University, UK • M.S. IN Clinical Pharmacy from the University of Derby, UK	• Venture Partner at Mavie Technologies • Board Director at Carevoice	-	-	-
Acting CMO	Taiwan ROC	Chih-Yi Hsieh	Male	15 Jun 2015	131	0.08	-	-	-	-	• Medical Advisor at Novartis Oncology • Organizer of division of Haematology and Oncology at the Taipei Veterans General Hospital • MD degree from National Yang-Ming University	-	-	-	-
Internal Auditor	Taiwan ROC	Elaine Pan	Female	21 Aug 2017	-	-	-	-	-	-	• PwC Taiwan, Audit Assurance Service Manager • Bachelor Accounting, National Changhua University of Education	-	-	-	-

Note 1: Number of shares held by Kimba Capital Ltd. on behalf of Carl Firth
Note 2: Number of shares held by Match Point Developments Limited on behalf of Mark McHale
Note 3: Dr. McHale is our Chief Development Officer and Head of R&D from January 2019.

3. Remuneration of Director, Supervisor, General Manager and Deputy General Manager

a. Compensation paid to directors (including independent directors) in most recent year (FY18)

31 December 2018, Units: Shares in thousands, NT$000

Title	Name (Note 1)	Remuneration								Ratio of A+B+C+D to net profit (%) (Note 10)	
		Remuneration (A) (Note 2)		Retirement pension (B)		Remuneration for Directors (C) (Note 3)		Business execution expenses (D) (Note 4)			
		ASLAN	All companies listed in consolidated financial report (Note 7)	ASLAN	All companies listed in consolidated financial report (Note 7)	ASLAN	All companies listed in consolidated financial report (Note 7)	ASLAN	All companies listed in consolidated financial report (Note 7)	ASLAN	All companies listed in consolidated financial report (Note 7)
Chairman	Carl Firth	-	-	-	-	-	-	-	-	-	-
Director	BV Healthcare II Pte Ltd Representative: Damien Lim	-	-	-	-	-	-	-	-	-	-
Director	Advance Medtech Holdings Pte. Ltd. Representative: Abel Ang	-	-	-	-	-	-	-	-	-	-
Director	Alnair Investment Representative: Jun Wu	-	-	-	-	-	-	-	-	-	-
Director	Jerome Shen (Note1)	750	750							(0.06)	(0.06)
INED	Mei-Shu Lai (Note2)	750	750							(0.06)	(0.06)
INED	Andrew Howden	900	900	-	-	-	-	-	-	(0.07)	(0.07)
INED	Chin-Feng Sun	900	900	-	-	-	-	-	-	(0.07)	(0.07)
INED	Robert E. Hoffman (Note3)	385	385	-	-	-	-	-	-	(0.03)	(0.03)

31 December 2018, Units: Shares in thousands, NT$000

Title	Name (Note 1)	Remuneration for employees with concurrent positions								Ratio of A+B+C+D+E+F+G to net profit (%) (Note 10)		Remuneration from business entities invested by ASLAN other than subsidiaries (Note 11)
		Salary, rewards and special allowance (E) (Note 5)		Retirement pension (F)		Remuneration for Employees (G) (Note 6)						
		ASLAN	Companies listed in the consolidated financial report (Note 7)	ASLAN	Companies listed in the consolidated financial report (Note 7)	ASLAN		Companies listed in the consolidated financial report (Note 7)		ASLAN	Companies listed in the consolidated financial report (Note 7)	
						Cash	Shares	Cash	Shares			
Chairman	Carl Firth	16,214	16,214	997	997	-	-	-	-	(1.64)	(1.64)	-
Director	BV Healthcare II Pte Ltd Representative: Damien Lim	-	-	-	-	-	-	-	-	-	-	-
Director	Advance Medtech Holdings Pte. Ltd. Representative: Abel Ang	-	-	-	-	-	-	-	-	-	-	-
Director	Alnair Investment Representative: Jun Wu	-	-	-	-	-	-	-	-	-	-	-
Director	Jerome Shen (Note1)	-	-	-	-	-	-	-	-	(0.06)	(0.06)	-
INED	Mei-Shu Lai (Note2)	-	-	-	-	-	-	-	-	(0.06)	(0.06)	-
INED	Andrew Howden	-	-	-	-	-	-	-	-	(0.07)	(0.07)	-
INED	Chin-Feng Sun	-	-	-	-	-	-	-	-	(0.07)	(0.07)	-
INED	Robert E. Hoffman (Note3)	-	-	-	-	-	-	-	-	(0.03)	(0.03)	-

*In addition to the remuneration disclosed above, any other remuneration or compensation received by the directors for providing services (eg, providing consultant services as a non-employee) to any companies included in the Company's financial report: 0.

Note1: Dr. Shen resigned from our board of directors on October 30, 2018.
Note2: Dr. Lai resigned from our board of directors on October 30, 2018.
Note3: Mr. Hoffman joined our board of directors on October 30, 2018.

Remuneration Table

Remuneration	Names			
	Total of A+B+C+D		Total of A+B+C+D+E+F+G	
	ASLAN (Note 8)	Companies listed in the consolidated financial report (H) (Note 9)	ASLAN (Note 8)	Companies listed in the consolidated financial report (I) (Note 9)
Less than NT$2,000,000	Carl Firth, BV Healthcare II Pte Ltd (Representative: Damien Lim), Advanced Medtech Holdings Pte. Ltd. (Representative: Abel Ang), Alnair Investment (Representative: Jun Wu), Jerome Shen, Mei-Shu Lai, Andrew Howden, Chin-Feng Sun, Robert E. Hoffman	Carl Firth, BV Healthcare II Pte Ltd (Representative: Damien Lim), Advanced Medtech Holdings Pte. Ltd. (Representative: Abel Ang), Alnair Investment (Representative: Jun Wu), Jerome Shen, Mei-Shu Lai, Andrew Howden, Chin-Feng Sun, Robert E. Hoffman	BV Healthcare II Pte Ltd (Representative: Damien Lim), Advanced Medtech Holdings Pte. Ltd. (Representative: Abel Ang), Alnair Investment (Representative: Jun Wu), Jerome Shen, Mei-Shu Lai , Andrew Howden, Chin-Feng Sun, Robert E. Hoffman	BV Healthcare II Pte Ltd (Representative: Damien Lim), Advanced Medtech Holdings Pte. Ltd. (Representative: Abel Ang), Alnair Investment (Representative: Jun Wu), Jerome Shen, Mei-Shu Lai, Andrew Howden, Chin-Feng Sun, Robert E. Hoffman
NT$2,000,000 (including) to NT$5,000,000 (excluding)	-	-	-	-
NT$5,000,000 (including) to NT$10,000,000 (excluding)	-	-	-	-
NT$10,000,000 (including) to NT$15,000,000 (excluding)	-	-	-	-
NT$15,000,000 (including) to NT$30,000,000 (excluding)	-	-	Carl Firth	Carl Firth
NT$30,000,000 (including) to NT$50,000,000 (excluding)	-	-	-	-
NT$50,000,000 (including) to NT$100,000,000 (excluding)	-	-	-	-
Above NT$100,000,000	-	-	-	-
Total	9 directors (Note12)	9 directors (Note12)	9 directors (Note12)	9 directors (Note12)

Note 1: Names of directors should be disclosed separately (institutional investors and their representatives should be disclosed separately). The director that serves as CEO or VP in the Company should be listed in the table above and table (c) below.
Note 2: Refers to the directors' remunerations in the most recent year (including salaries, allowances, severance pay, various bonuses, and incentive payments).
Note 3: Refers to the directors' remunerations approved by the board in the most recent year.
Note 4: Refers to business execution expenses of board directors in the most recent year (including commuting, special allowances, various allowances, dormitories, vehicles and other provisions in kind). The provided assets' nature, cost, rent calculated in real or fair market value, fuel costs and other allowances should be disclosed if houses, automobiles, other commuting or individual specific expenditures were offered. Chauffeurs' compensation should also be disclosed if any, excluding bonus.
Note 5: Refers to salaries, allowances, severance pay, various bonuses, incentive payments, commuting, special allowances, various allowances, dormitories, vehicles and other provisions in kind for directors who also served as employees in the most recent year (including CEO, VP, other managerial positions or employees). The provided assets' nature, cost, rent calculated in real or fair market value, fuel costs and other allowances should be disclosed if houses, automobiles, other commuting or individual specific expenditures were offered. Chauffeurs' compensation, if any, should be excluded from the directors' remuneration but should also be disclosed as a footnote. Also the salary expenses accrued in accordance with IFRS 2 'Paid in the form of stocks' such as the employee stock option, restricted employee shares, and shares acquired by participating capital increase, shall all included as a part of remuneration.
Note 6: Refers to directors who also served as employees (including CEO, VP, other managerial positions or employees) and received employee compensation (including stocks and cash). The employee compensation approved by the board in the most recent year should also be disclosed.
Note 7: Including the total directors' remuneration from all companies (including the Company) listed in the consolidated financial report.
Note 8: Only individual directors were paid by the Company in 2018, no remuneration was paid to any institutional directors. No director held an employee position except for Carl Firth in 2018.
Note 9: Only individual directors were paid by the companies in the consolidated financial report in 2018, no remuneration was paid to any institutional directors. No director held an employee position except for Carl Firth in 2018.
Note 10: Net profit refers to that in the most recent year; for those applying IFRS, net profit refers to that presented in stand-alone financial report.
Note 11: Refers to the directors' remuneration from business entities invested by the Company other than subsidiaries.
Note 12: The Company has 8 seats of board of directors during 2018. The table shows all remuneration paid to directors during the reporting year per regulation.

b. Remuneration paid to supervisors in the most recent year: Not applicable.

c. Remuneration paid to the key management team and other VPs (FY18)

Unit: NT$000, Shares in thousands

Title	Name (Note 1)	Salary (A) (Note 2)		Retirement pension (B)		Incentives and special allowances (C) (Note 3)		Employees bonus from earnings (D) (Note 4)				Ratio of total of A+B+C+D to net after-tax earnings (%) (Note 8)		Remuneration received from business entities invested by ASLAN other than subsidiaries (Note 9)
		ASLAN	Companies listed in the consolidated financial report (Note 5)	ASLAN	Companies listed in the consolidated financial report (Note 5)	ASLAN	Companies listed in the consolidated financial report (Note 5)	ASLAN		Companies listed in the consolidated financial report (Note 5)		ASLAN	Companies listed in the consolidated financial report (Note 5)	
								Cash	Shares	Cash	Shares			
CEO	Carl Firth	85,368	85,368	4,232	4,232	23,840	23,840	-	-	-	-	(9.24)	(9.24)	-
CBO	Jeffrey Tomlinson (Note 1)													
COO;CDO	Mark McHale (Note 2)													
CMO	Bertil Lindmark (Note 3)													
General Counsel	Ben Goodger													
VP Finance	Kiran Asarpota													
CBO	Stephen Doyle													

Note 1: Mr. Tomlinson is our previous Chief Business Officer. (Mr. Tomlinson resigned and terminated employment with ASLAN in January 2019).
Note 2: Dr. McHale is our Chief Development Officer and Head of R&D currently.
Note 3: Dr. Lindmark is our previous Chief Medical Officer (Dr. Lindmark retired and terminated employment with ASLAN in January 2019).

Remuneration Table

Remuneration for general managers and deputy general managers	Names	
	ASLAN (Note 6)	Companies listed in the consolidated financial report (E) (Note 7)
Less than NT$2,000,000	-	-
NT$2,000,000 (including) to NT$5,000,000 (excluding)	-	-
NT$5,000,000 (including) to NT$10,000,000 (excluding)	-	-
NT$10,000,000 (including) to NT$15,000,000 (excluding)	Kiran Asarpota, Ben Goodger, Stephen Doyle	Kiran Asarpota, Ben Goodger, Stephen Doyle
NT$15,000,000 (including) to NT$30,000,000 (excluding)	Carl Firth, Mark McHale, Bertil Lindmark, Jeffrey Tomlinson (Note 10,11,12)	Carl Firth, Mark McHale, Bertil Lindmark, Jeffrey Tomlinson
NT$30,000,000 (including) to NT$50,000,000 (excluding)	-	-
NT$50,000,000 (including) to NT$100,000,000 (excluding)	-	-
Above NT$100,000,000	-	-
Total	7 people	7 people

Note 1: Names of CEO and VP should be disclosed separately. The CEO and VP that serves as director in the Company should be listed in the table above and table (a) above.
Note 2: Refers to salaries, job allowances, and severance pay for CEO and VPs in the most recent year
Note 3: Refers to various rewards, incentive payments, commuting, special allowances, various allowances, dormitories, vehicles and other provisions in kind for CEO and VPs. The provided assets' nature, cost, rent calculated in real or fair market value, fuel costs and other allowances should be disclosed if houses, automobiles, other commuting or individual specific expenditures were offered. Chauffeurs' salary, if any, should be excluded from the CEO and VPs' remuneration but should be disclosed as a

footnote anyway. Also the expenses accrued in accordance with IFRS 2 'Share-based payments' such as the employee stock option, restricted employee shares, and shares acquired by participating capital increase, shall all be included. The 'Share-based payment' for key management personnel in 2018 was NTD 23,840 thousands.

Note 4: Refers to the employee bonus (including stocks and cash) received by the CEO and VPs approved by the board in the most recent year if any profit.

Note 5: Including the total remuneration received by the CEO and VPs from all companies (including the Company) listed in the consolidated financial report.

Note 6: The names of CEO and VPs should be disclosed in the range for the remunerations received from the Company.

Note 7: The names of CEO and VPs should be disclosed in the range for the remunerations received from all companies (including the Company) listed in the consolidated financial report.

Note 8: Net profit refers to that in most recent year; for those applying IFRS, net profit refers to that presented in stand-alone financial report.

Note 9: Refers to the remuneration of CEO and VPs received from business entities invested by the Company other than subsidiaries.

Note 10: Dr McHale is our Chief Development Officer and Head of R&D.

Note 11: Dr Lindmark was previously our Chief Medical Officer (Dr Lindmark retired and his employment terminated in January 2019).

Note 12: Mr Tomlinson was previously our Chief Business Officer (Mr Tomlinson resigned and his employment terminated in January 2019).

d. Names of managers receiving employee remunerations and amounts: As per Article 235-1 of Company Act, was there a fixed amount or ratio of profit in the current year distributable as employees' compensation as definitely specified in the Articles of Incorporation: Not applicable. The Company did not generate positive profit before tax in the financial year ended 31 December 2017.

e. The ratio of total remuneration for directors, supervisors, CEO and VPs paid by the Company and all companies listed in the consolidated financial statement to net profit for the past two years. Please explain the remuneration policies, standards, combinations, procedures for determining remuneration, and its linkage to operating performance and future risk exposure:

i. Ratio of total remuneration for directors, supervisors, CEO and VPs to the net profit for the past two years:

Unit: NT$000

Year	2017				2018			
Item	Remuneration		Ratio to net profit (%)		Remuneration		Ratio to net profit (%)	
	The Company	All companies listed in the consolidated financial report	The Company	All companies listed in the consolidated financial report	The Company	All companies listed in the consolidated financial report	The Company	All companies listed in the consolidated financial report
Directors	3,600	3,600	(0.30)	(0.30)	2,185	2,185	(0.18)	(0.18)
SMT and VPs	125,128	125,128	(10.35)	(10.35)	113,440	113,440	(9.24)	(9.24)
Total	128,728	128,728	(10.65)	(10.65)	115,625	115,625	(9.42)	(9.42)

ii. The remuneration policies, standards, combinations, procedures and linkage to operating performance and future risk exposure:

The remuneration for directors (including independent directors) adheres to the Fifth Amended and Restated Memorandum and Articles of Association of the Company. Approval was given at the shareholders' meeting, with the Board of Directors authorised to establish criteria based on involvement in Company operations and contributions as well as standards adopted by the company's peers. The CEO and VPs follow the instructions of the Board of Directors - their appointment, dismissal and remuneration are conducted in accordance with the Company's charter.

4. Corporate governance and implementation

a. Board of Directors

The Board of Directors convened 10(A) Board meetings in 2018 and a minimum of one independent director was present during each board meeting.

i. Attendance:

Title	Name	In person (B)	By proxy	Actual attendance ratio (B/A)	Remarks
Chairman	Carl Firth	10	0	100%	-
Director	Advance Medtech Holdings Pte Ltd Representative: Abel Ang	8	1	80%	-
Director	Alnair Investment; Representative: Jun Wu	9	1	90%	-
Director	BV Healthcare II Pte Ltd; Representative: Damien Lim	8	2	80%	-
Director	Jerome Shen (Note1)	5	4	56%	-
Independent Director	Andrew Howden	8	2	80%	-
Independent Director	Chin-Feng Sun	9	1	90%	-
Independent Director	Mei-Shu Lai (Note2)	7	1	78%	-
Independent Director	Robert E. Hoffman (Note3)	1	0	100%	-

Note1: Dr. Shen resigned from Board of Director on 30 Oct 2018; the total meetings during the term of office was 9.
Note2: Dr. Lai resigned from Board of Director on 30 Oct 2018; the total meetings during the term of office was 9.

Note3: Mr. Hoffman joined our board of directors on 30 Oct 2018; the total meetings during the term of office was 1.

ii. Matters reported in accordance to Article 14-3 of Securities and Exchange Act:

Date	Resolutions	Independent directors' opinion
3 Jan 2018	To approve the signing of Array deal.	No dissenting or qualified opinion.
2 Mar 2018	• To review and approve the 2017 Business Report and FY2017 IFRS and T-IFRS audited consolidated financial statements and auditor's report. • To approve the internal control system statement for the period from 1 January 2017 to 31 December 2017. • To approve amendments of ASLAN internal control policies in accordance with Taiwan and United States regulations. • To review Deloitte independent assertion for certified public accountant and to engage Deloitte – Dien Chang and Jessie Wu as the CPA for ASLAN Cayman FY2018 financial audit.	No dissenting or qualified opinion.
26 Mar 2018	• To resolve and authorise Form F-1 Registration Statement. • To resolve and approve the Underwriting Agreement. • To resolve and approve the deposit agreement appointing J.P. Morgan Chase Bank, N.A. as the Depository for the ADSs. • To adopt Corporate Governance and Compliance Policies and amendments for Investment Policy. • To approve pricing and number of shares in the IPO.	No dissenting or qualified opinion.
6 Jun 2018	• To review and approve the capital increase in ASLAN Pharmaceuticals Pte Ltd	No dissenting or qualified opinion.
10 Sep 2018	• Proposed to increase the share capital of the Company. • Proposed amendments and restatements of the Fifth Amended and Restated Memorandum and Articles of Association. • To conduct capital increase by cash by issuance of ordinary shares for sponsoring overseas depositary receipts or by issuance of ordinary shares domestically. • To conduct capital increase by the issuance of overseas depositary receipts by private placement. • Election of the Company's Independent Director. • To release the newly elected independent director from non-competition restrictions. • To convene the First Extraordinary Shareholders' Meeting of 2018.	No dissenting or qualified opinion.
2 Oct 2018	• To get the formal Board approval to set up a legal entity in the US.	No dissenting or qualified opinion.
6 Jan 2019	• Form F-1 Registration Statement; • Underwriting Agreement; • Securities Law Compliance; • Blue Sky Matters; • FINRA Filings; • Nasdaq Stock Market; • Depositary; • Approval of Pricing and number of shares in the Offering;	No dissenting or qualified opinion.
29 Jan 2019	• 2019 Restructuring plan	No dissenting or qualified opinion.
22 Mar 2019	• To review and to approve the 2018 Business Report and 2018 T-IFRS consolidated financial statements and independent auditors' report and the same be submitted to the next general meeting for shareholders' review and ratification • To approve the Statement of Internal Control System for the period from 1 January 2018 to 31 December 2018 • To approve the proposed amendments and restatements of the Sixth Amended and Restated Memorandum and Articles of Association and the same be submitted to the next general meeting for shareholders' review and approval • To review and approve amendments of ASLAN internal control policies in accordance with latest Taiwan regulation updates • To review Deloitte's independent assertion represented by Dien Sheng Chang and Jessie Wu and to approve the 2019 audit engagement for ASLAN Cayman and the group • To approve the capital increase from ASLAN Pharmaceuticals Limited (ASLAN Cayman) to its' fully owned subsidiary ASLAN Pharmaceuticals Pte Ltd (ASLAN Singapore) • To convene the Annual General Meeting of 2019	No dissenting or qualified opinion.

iii. Board resolutions for which an independent director had a dissenting or qualified opinion, if any: None.

iv. In the event that a director has to avoid voting on a resolution because of a conflict of interest, the name of the director, the content of the resolution, reasons for avoidance, and the result of the vote should be noted: Directors with conflicts of interest or management authority recused themselves from the discussion and voting of their (i) compensation resolution and (ii) indemnity agreement.

v. Goals (such as setting up an audit committee and information transparency system) of the Board of Directors for the most recent year, as well as the evaluation of its work:

1) The Board of Directors of the Company delegates various responsibilities and authority to the Audit Committee and Remuneration Committee. Both Committees are formed by independent directors. The chairperson of each Committee regularly reports to the Board of Directors on the activities and actions of the relevant committee.

2) The Board of Directors of the Company resolved to approve the formation of the Audit Committee and Remuneration Committee on 15 April 2016, and adopted the charters. The meeting procedures are updated as per latest regulatory requirements. The Committees have contributed to strengthen the corporate governance and functions of the Board.

3) The Company posts the attendance of directors and independent directors and certain resolutions on the Company website as deemed fit or required by law.

4) In order to review the efficiency of Board of Directors, the Company has formulated Board of Directors Self-Evaluation and Peer Evaluation Procedures.

5) The Company has appointed a spokesperson and a deputy spokesperson to ensure proper and timely disclosure of material information, including the Company's financial and corporate information, to shareholders and investors.

b. Audit Committee

The Audit Committee convened 8(A) meetings in 2018.

i. Attendance:

Title	Name	In person (B)	By proxy	Actual attendance ratio (B/A)	Remark
Independent Director	Chin-Feng Sun	8	0	100%	
Independent Director	Andrew Howden	7	1	88%	
Independent Director	Mei-Shu Lai (Note1)	5	1	71%	
Independent Director	Robert E. Hoffman (Note2)	1	0	100%	

Note1: Dr. Lai resigned from Audit Committee member on 30 Oct 2018; the total meetings during the term of office was 7.
Note2: Mr. Hoffman was elected as Audit Committee member on 7 Nov 2018; the total meetings during the term of office was 1.

ii. Matters reported in accordance to Article 14-5 of Securities and Exchange Act:

Dates	Resolutions	Any independent director had a dissenting opinion or qualified opinion
3 Jan 2018	To approve the signing of Array deal.	No dissenting or qualified opinion.
2 Mar 2018	• To review and approve the 2017 Business Report and FY2017 IFRS and T-IFRS audited consolidated financial statements and auditor's report. • To approve the internal control system statement for the period from 1 January 2017 to 31 December 2017. • To approve amendments of ASLAN internal control policies in accordance with Taiwan and United States regulations. • To review Deloitte independent assertion for certified public accountant and to engage Deloitte – Dien Chang and Jessie Wu as the CPA for ASLAN Cayman FY2018 financial audit.	No dissenting or qualified opinion.
26 Mar 2018	• To resolve and authorise Form F-1 Registration Statement. • To resolve and approve the Underwriting Agreement. • To resolve and approve the deposit agreement appointing J.P. Morgan Chase Bank, N.A. as the Depository for the ADSs. • To adopt Corporate Governance and Compliance Policies and amendments for Investment Policy. • To approve pricing and number of shares in the IPO.	No dissenting or qualified opinion.
6 Jun 2018	• To review and approve the capital increase in ASLAN Pharmaceuticals Pte Ltd	No dissenting or qualified opinion.
10 Sep 2018	• Proposed to increase the share capital of the Company. • Proposed amendments and restatements of the Fifth Amended and Restated Memorandum and Articles of Association. • To conduct capital increase by cash by issuance of ordinary shares for sponsoring overseas depositary receipts or by issuance of ordinary shares domestically. • To conduct capital increase by the issuance of overseas depositary receipts by private placement. • Election of the Company's Independent Director. • To release the newly elected independent director from non-competition restrictions.	No dissenting or qualified opinion.

Dates	Resolutions	Any independent director had a dissenting opinion or qualified opinion
	• To convene the First Extraordinary Shareholders' Meeting of 2018.	
2 Oct 2018	• To get the formal Board approval to set up a legal entity in the US.	No dissenting or qualified opinion.
6 Jan 2019	• Form F-1 Registration Statement; • Underwriting Agreement; • Securities Law Compliance; • Blue Sky Matters; • FINRA Filings; • Nasdaq Stock Market; • Depositary; • Approval of Pricing and number of shares in the Offering;	No dissenting or qualified opinion.
29 Jan 2019	• 2019 Restructuring plan	No dissenting or qualified opinion.
22 Mar 2019	• To review and to approve the 2018 Business Report and 2018 T-IFRS consolidated financial statements and independent auditors' report and the same be submitted to the next general meeting for shareholders' review and ratification • To approve the Statement of Internal Control System for the period from 1 January 2018 to 31 December 2018 • To approve the proposed amendments and restatements of the Sixth Amended and Restated Memorandum and Articles of Association and the same be submitted to the next general meeting for shareholders' review and approval • To review and approve amendments of ASLAN internal control policies in accordance with latest Taiwan regulation updates • To review Deloitte's independent assertion represented by Dien Sheng Chang and Jessie Wu and to approve the 2019 audit engagement for ASLAN Cayman and the group • To approve the capital increase from ASLAN Pharmaceuticals Limited (ASLAN Cayman) to its' fully owned subsidiary ASLAN Pharmaceuticals Pte Ltd (ASLAN Singapore) • To convene the Annual General Meeting of 2019	No dissenting or qualified opinion.

iii. Board resolutions for which an independent director had a dissenting or qualified opinion, but resolved by two-third of Board of Directors, if any: None.

iv. In the event that an independent director has to avoid voting on a resolution because of a conflict of interest, the name of the independent director, the content of the resolution, reasons for the avoidance, and the result of the vote should be noted: Independent director with conflicts of interest or management authority recused themselves from the discussion and voting of their (i) compensation resolution and (ii) indemnity agreement.

v. Independent directors' communications with the internal auditors and CPAs:

1) The internal audit officer reports the audit and monitoring report to Audit Committee monthly. The Audit Committee has maintained adequate communication with the internal auditors about the implementation status of the auditing activities.

2) The independent directors of the Company may, at any time, request the CPA(s) to report to and communicate with the independent director(s) in respect of the audit status of the financial statements and the items required under applicable laws and regulations.

3) Discussion between IA, CPA& Audit Committee:

Meeting dates	items reported by internal audit officer/CPA	Independent directors' opinion
4 May 2018	Internal Audit Officer presented Q1 2018 internal audit results and report to the Committee according to annual audit plan.	No dissenting or qualified opinion.
30 Jul 2018	Internal Audit Officer presented Q2 2018 internal audit results and report to the Committee according to annual audit plan.	No dissenting or qualified opinion.
7 Nov 2018	i. Internal Audit Officer presented Q3 2018 internal audit results and report to the Committee according to annual audit plan. ii. Internal Audit Officer proposed internal control policies updates on Personal Information Protection Policy iii. Internal Audit Officer proposed 2019 internal audit plan	No dissenting or qualified opinion.
22 Mar 2019	Internal Audit Officer proposed FY2018 internal audit plan for review and approval.	No dissenting or qualified opinion.

c. Implementation status of corporate governance and deviations from best-practice principles for TWSE/TPEx-listed companies and reasons

Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx-listed Companies and Reasons
	Y	N	Description	
1. Has the Company formulated its own corporate governance principles in accordance with Corporate Governance Best-Practice Principles for TWSE/Taipei Exchange Listed Companies ("Corporate Governance Principles") and disclosed these principles to the public?	✓		The Company has formulated the "Corporate Governance Principles" and corporate governance mechanisms - "Codes of Ethics", the "Ethical Corporate Management Best Practice Principles", "Corporate Social Responsibility Best Practice Principles", and has established a spokesperson system. In addition, the internal control system and internal audit system have also been established. These are consistent with the spirit of corporate governance. Currently, the Company has set up an audit committee and the remuneration committee.	No significant difference.
2. Shareholding Structure and Shareholders' Equity				No significant difference.
(1) Whether the Company has adopted internal procedures for handling shareholder proposals, inquiries, disputes and legal actions and implemented in accordance with these procedures?	✓		(1) In addition to the spokesperson and a deputy spokesperson dedicated by the Company to handle responses to shareholder proposals and/or inquiries, the Company has engaged a professional stock affairs agent in Taiwan to handle the shareholder proposals and/or disputes.	
(2) Whether the Company has the knowledge of the major shareholders who have controlling power over the Company, and of the persons with ultimate control over those major shareholders?	✓		(2) The Company can access at any time information on directors, managerial officers and major shareholders holding 10% or more of the Company.	
(3) Whether the Company has established its risk-management mechanism and firewalls involving affiliate(s)?	✓		(3) The Company has clearly identified the objectives and the division of authority and responsibility between the Company and its affiliated enterprises with respect to management of personnel, assets, and financial matters. In addition to the adoption of the "Management Rules Governing Related Party Transactions", the internal auditors periodically conduct audits on the implementation status.	
(4) Whether the Company has established internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	✓		(4) The Company has adopted "Procedures for Handling Material Inside Information" to restrict insiders from trading securities using information not disclosed to the market and conducted a training session for staff on this.	
3. Organisation and Responsibilities of the Board of Directors				No significant difference.
(1) Whether the Board of Directors has formulated an appropriate policy on the diversity of its own composition and implemented that policy?	✓		(1) The composition of the Board of Directors of the Company is determined by taking into consideration its operations, operational model and development needs. The composition of the board consists of representatives, professional investors and individuals that possess experience in finance, accounting, biotechnology and medicine. It will serve the Company well in terms of its future operations and development.	
(2) In addition to the remuneration committee and Audit Committee, whether the Company has voluntarily established other functional committee(s)?	✓		(2) The Company has set up a remuneration committee and audit committee. It has also set up a nomination committee on 28 Oct 2016 to meet higher standards of corporate governance.	
(3) Whether the Company has established methodology for evaluating performance of its Board of Directors, on an annual basis?	✓		(3) The Company has adopted the "Self-Evaluation or Peer Evaluation of the Board of Directors". The Board of Directors have completed the self-evaluation in the recent year.	
(4) Does the Company regularly evaluate its CPA's independence?	✓		(4) The CPAs engaged by the Company adopts a job rotation system to fulfill the independence principle and such engagement is determined upon resolution by the Board of Directors. The Company has completed the evaluated of the independence of the CPAs. An independence statement stating that the CPAs are not interested parties, neither directors nor shareholders of the Company, and that they are not remunerated by the Company from the CPAs has been signed.	
4. Has the Company set up a full- (or part-) time corporate governance unit or personnel to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, evaluate the deviations from Corporate Governance Best-Practice Principles for TWSE/Taipei Exchange Listed Companies and reasons, handling matters relating to board meetings and shareholders meetings according to laws, handling corporate registration and amendment registration, and producing minutes of board meetings and shareholders meetings?	✓		The Company has set up a full- (or part-) time corporate governance unit and personnel to be in charge of corporate governance affairs.	No significant difference.
5. Has the Company established means of communicating with its stakeholders (including but not limited to shareholders, employees, clients, and vendors) or created a Stakeholder Section on its Company website? Does the Company respond to stakeholders' questions on corporate social responsibilities?	✓		The Company has appointed a spokesperson and a deputy spokesperson to communicate with stakeholders. If the stakeholders consider it necessary, he/she/it may, at any time, contact the Company via telephone, mail and/or e-mail.	No significant difference.

Item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx-listed Companies and Reasons
	Y	N	Description	
6. Has the Company appointed a professional stock affairs agent for its Shareholders Meetings?	✓		The Company has engaged KGI Securities as its professional stock affairs agent in Taiwan to handle stock affairs and matters regarding the convention of shareholders' meetings.	No significant difference.
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status? (2) Does the Company use other information disclosure channels (eg maintaining an English-language website, dedicating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors' conferences)?	 ✓ ✓		 (1) The Company's corporate website has been established for disclosing financials, business information and the corporate governance status of the Company. (2) The Company has established an English-language website to introduce the Company's profile, R&D, its products, and company news. The Company has also established the spokesperson system and will disclose information in accordance with the relevant laws, regulations, and systems.	No significant difference.
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance status (including but not limited to employee rights, employee welfare, investor relations, supplier relations, rights of stakeholders, directors and supervisors training records, implementation of risk management policies and risk evaluation measures, implementation of customer relations policies, and the purchase of insurance for directors and supervisors)?	✓		Employee rights: The Company deals fairly and in good faith with its employees. In order to uphold employees' rights and to train employees, there are various welfare measures, training programmes and performance development plans. In addition, communication between employees and their supervisors are smooth, resulting in good employee-employer relations. Investor relations: The Company has set up a spokesperson system and also engaged a professional stock affairs agent to handle shareholders related issues. To facilitate a better understanding of the Company's operation status, the Company will, in accordance with the requirements under applicable laws and regulations, disclose relevant information on the Market Observatory Post System on the Taiwan Stock Exchange's website. Supplier relations & rights of the stakeholders: The Company has maintained good relationships with suppliers and stakeholders. Directors & supervisors' training status: Each Director possesses relevant professional knowledge. In order to strengthen the function and capability of the Board of Directors, the Company has arranged training programmes for the directors and independent directors. Implementation of risk management policies and risk evaluation measures: The Company has established various internal rules and abided by these rules to control risks. Customer policies: The Company has carried out the policies in accordance with relevant internal control rules. The Company has purchased director's liability insurance.	No significant difference.
9. Explanation on the status of improvement based on the result of Corporate Governance Evaluation published by Corporate Governance Centre of TWSE in the most recent year, as well as the improvement plan to those items yet to be improved (companies that had not participated the evaluation may be exempted to answer this item): The Company had first participated in Corporate Governance Evaluation in 2018. Before the Annual Report printed date, the Company has not completed the improvement plan to those items yet to be improved.				

d. Remuneration Committee

i. If the Company has a remuneration committee in place, the composition, duties, and operation of the remuneration committee shall be disclosed:

The Company approved the establishment of a remuneration committee and adopted the "Remuneration Committee Charter" by resolutions of the Board of Directors on 15 April 2016. Information on the members and the Committee is listed below: Information of Remuneration Committee Members

Position (Note 1)	Name	Meet one of the following professional qualification requirements, together with at least five years of work experience			Compliance with the Criteria of Independence (Note 2)								Serving as a Member of other Remuneration Committees – number of public Companies	Remark
		An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university;	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.	Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company	1	2	3	4	5	6	7	8		
Independent Director	Andrew Howden	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	-
Independent Director	Mei-Shu Lai (Note3)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	-

Independent Director	Chin-Feng Sun	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	3	-
Independent Director	Robert E. Hoffman (Note4)	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	-

Note 1: For the 'Position' column, please input "Director", "Independent Director" or other identification as appropriate.

Note 2: For remuneration committee members (during the two years before being elected or during the term of office), please tick the appropriate boxes if they meet any of the following criteria:

i. Not an employee of the Company or any of its affiliates.

ii. Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50 percent of the voting shares.

iii. Not an individual shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.

iv. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the above persons in the preceding three subparagraphs.

v. Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the Company nor a director, supervisor, or employee of its top five shareholders.

vi. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company.

vii. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.

viii. Not a person of any conditions defined in Article 30 of the Company Act.

Note 3: Dr. Lai resigned from Remuneration Committee member on 30 Oct 2018.

Note 4: Mr. Hoffman was elected as Remuneration Committee member on 7 Nov 2018.

ii. Attendance

The Remuneration Committee convened 4(A) meeting in 2018.

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Andrew Howden	4	0	100%	-
Member	Mei-Shu Lai	3	0	100%	(Note1)
Member	Chin-Feng Sun	4	0	100%	-
Member	Robert E. Hoffman	1	0	100%	(Note2)

Note 1: Dr. Lai resigned from Remuneration Committee member on 30 Oct 2018; the total meetings during the term of office was 3.
Note 2: Mr. Hoffman was elected as Remuneration Committee member on 7 Nov 2018; the total meetings during the term of office was 1.

iii. Other matters reported

- If the Board of Directors does not accept or modify the suggestions proposed by the remuneration committee, the following details should be provided: meeting date, term, content of the proposal, content of the resolution by the Board of Directors and the decision taken. If the remuneration approved by the Board of Directors exceeds that proposed by the remuneration committee, please give details and underlying rationale: None.

- For any recorded resolutions in which a member has a dissenting opinion or qualified opinion, this should be noted in the minutes or in a written opinion. The meeting date, term, content of the resolution, opinions of members and the decision taken should be provided: None.

e. Corporate Social Responsibility

Item	Implementation status			Deviations from Corporate Social Responsibility Code of Practice for TWSE/TPEx-listed Companies
	Y	N	Description	
1. Implementation of Corporate Governance				No significant difference
(1) Does the Company have a corporate social responsibility policy?	✓		(1) The Company has adopted the Corporate Social Responsibility Best Practice Principles as guidance to implement its corporate social responsibility ("CSR") policy.	
(2) Does the Company hold regular CSR training?	✓		(2) The Company promotes the concept of CSR from time to time.	
(3) Does the Company have a dedicated (or ad-hoc) CSR organisation with Board of Directors' authorization for senior management, which reports to the Board of Directors?	✓		(3) The Corporate Social Responsibility Best Practice Principles has been approved by the Board of Directors on 27 May 2016. The Company conducts CSR promotion activities toward its directors and managerial officers from time to time to implement the CSR as the Company's corporate culture and understand the efforts of the CSR made by the Company.	
(4) Does the Company set a reasonable compensation policy, integrate employee appraisal with CSR policy, and set clear and effective incentive and disciplinary policies?	✓		(4) The Company has established reasonable remuneration policies. In the meantime, the respective department has set management and performance indicators as the employees' work goal and the basis of performance appraisal.	
2. Environmentally Sustainable Development				No significant difference
(1) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	✓		(1) The Company is devoted to improving resource efficiency to reduce the impact on the environment. The Company has implemented certain measures - for instance, reminders to turn off lights when leaving are displaced in conspicuous spaces; disposable cups are not provided to employees, employees are encouraged to bring their own reusable cups; office stationery and waste papers are repeatedly used; a waste classification system has been implemented; using e-mails to communicate is encouraged to save paper and printing costs.	
(2) Has the Company set up an environmental management system designed to industry standards?	✓		(2) Since the Company has no manufacturing facilities, the Company does not generate any waste water or industrial waste that can affect the environment. The implementation of environment protection by the Company is outstanding.	
(3) Does the Company track the impact of climate change on operations, carry out greenhouse gas inventories, and set energy conservation and greenhouse gas reduction strategies?	✓		(3) The Company does not have a factory and promotes energy conservation measures, such as turning off lights when leaving and controlling the indoor temperature of the office to reduce the wastage of energy.	
3. Promotion of Social Welfare				No significant difference
(1) Does the Company set policies and procedures in compliance with regulations and internationally recognised human rights principles?	✓		(1) The Company has explicitly defined the rights and obligations between employees and employer. The Company aims to ensure that	

Item	Implementation status			Deviations from Corporate Social Responsibility Code of Practice for TWSE/TPEx-listed Companies
	Y	N	Description	
			employees and employer work together to achieve the Company's vision.	
(2) Has the Company established appeal procedures?	✓		(2) The Company communicates with employees through various channels including team meetings and company meetings. Employees can give their suggestions and questions to their supervisors via these channels.	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		(3) The Company provides a safe, health and working environment and follows all necessary guidelines.	
(4) Has the Company established a mechanism for regular communication with employees and use reasonable means to notify employees of operational changes that may significantly impact employees?	✓		(4) The Company holds company and team meetings on a regular basis. In these meetings, the Company provides operational updates.	
(5) Has the Company established career development training plans?	✓		(5) The Company has adopted performance plans and training programmes, and thoroughly set and reviewed objectives. The Company encourages advanced studies and provides on-the-job training.	
(6) Has the Company set consumer protection polices and appeal procedures in its R&D, purchasing, production, operations, and service processes?	NA		(6) The Company is a novel drug development company. The Company does not engage with consumers.	
(7) Does the Company follow applicable laws and regulations and international standards in the marketing and labelling of its products and services?	✓		(7) The company does not market any products.	
(8) Does the Company evaluate environmental and social track records before engaging with potential suppliers?	✓		(8) The Company carefully selects suppliers and business partners, and endeavours to maintain good relationships.	
(9) Does the Company's contracts with major suppliers include termination clauses if they violate CSR policy and cause significant environmental and social impact?	✓		(9) The Company does pay attention to this when negotiating contracts with suppliers in the future.	
4. Enhanced Information Disclosure Does the Company disclose relevant and reliable CSR information on its website and the Market Observatory Post System on the Taiwan Stock Exchange's website?	✓		The Company has established a website to disclose relevant information from time to time. After going public, the Company has adhered to the requirements issued by the competent authorities – the Company has disclosed various financial and business information on the Market Observatory Post System on the Taiwan Stock Exchange's website.	No significant difference
5. If the company has established its corporate social responsibility policy according to the "Listed Companies Corporate Social Responsibility Code of Practice", please describe the operational status and differences: No difference. The Company follows "Corporate Social Responsibility Best Practice Principles" in accordance with the Listed Companies Corporate Social Responsibility Code of Practice. Such Principles apply to all the Company's affiliates.				
6. Other important information to facilitate better understanding of the company's implementation of corporate social responsibility: All employees should be entitled to equal employment rights regardless of race, sex, or age. The Company offers its employees the opportunity to freely express his/her views. Opportunities for development are open to all.				
7. Other information regarding the "Corporate Responsibility Report" which is verified by certifying bodies: Not applicable.				

f. The Status of the Company's Performance in the Area of Good Faith Management and the Adoption of Related Measures

Item	Implementation Status			Discrepancies with the TWSE/TPEx-listed Corporate Conduct and Ethics - Best Practice Principles
	Y	N	Summary	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				No significant difference
(1) Does the Company have by-laws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policies from the Board of Directors and the management team?	✓		(1) The Company has established a policy document entitled "Ethical Corporate Management Principles" – this has been approved by Board of Directors.	
(2) Does the Company establish relevant policies which are duly enforced to prevent unethical conduct and provide implementation procedures, guidelines, consequence of violation, and complaint procedures?	✓		(2) "Ethical Corporate Management Principles" set by the Company has defined the scope of unethical conduct, implementation procedures, and established a dedicated unit.	
(3) Does the Company establish appropriate compliance measures for the business activities described in Paragraph 2, Article 7 of the TWSE/Taipei Exchange Listed Corporate Conduct and Ethics Best Practice Principles and any other such activities associated with high risk of unethical conduct?	✓		(3) The management has established compliance measures to prevent unethical conduct in accordance with its "Ethical Corporate Management Principles".	
2. Ethic Management Practice				No significant difference

Item	Implementation Status			Discrepancies with the TWSE/TPEx-listed Corporate Conduct and Ethics - Best Practice Principles
	Y	N	Summary	
(1) Does the Company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		(1) The Company will not conduct any business activities involving any illegal purpose or activity. For any company/person who has record of bad faith, the Company will terminate all transactions with such company/person.	
(2) Does the Company set up a unit which is dedicated to or tasked with promoting the Company's ethical management and reports directly to the Board of Directors with periodical updates on relevant matters?	✓		(2) The Company has set up an internal audit office under the direct authority of the Board of Directors. The internal auditor reports to the Board of Directors periodically to ensure the implementation of the ethical management.	
(3) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels, and implement such policies properly?	✓		(3) The Company has established polices to prevent conflicts of interest under its "Ethical Corporate Management Principles". The independent directors periodically review the reports submitted by the internal auditor to understand the status of any conflict of interests and maintain good communication with stakeholders.	
(4) To implement relevant policies on ethical conduct, does the Company establish effective accounting and internal control systems that are periodically audited by internal auditors or CPA?	✓		(4) The Company has established accounting and internal control systems in accordance with relevant laws and regulations. The internal auditors periodically report to the Board of Directors regarding their compliance audits.	
(5) Does the Company provide internal and external ethical conduct training programmes on a regular basis?	✓		(5) The Company disseminates the policies in company and team meetings.	
3. Implementation of Complaint Procedures				No significant difference
(1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	✓		(1) The Company establishes specific compliant procedures under its "Ethical Corporate Management Principles" and "Whistleblower Policy". Complaints can be filed by means of e-mail. After investigations, if material mistakes are found or it is known that the Company may suffer material damage, a report will be made and the independent directors will be notified in writing.	
(2) Does the Company establish standard procedures for investigating complaints received and ensuring such complaints are handled in a confidential manner?	✓		(2) The Company expressly requires keeping both the complainant's identity and the content of the complaint confidential under the "Ethical Corporate Management Principles" and "Whistleblower Policy".	
(3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	✓		(3) The Company adopts proper complaint filing measures and confidentiality mechanisms to prevent retaliation under the "Ethical Corporate Management Principles" and "Whistleblower Policy".	
4. Enhanced Information Disclosure				No significant difference
Does the Company disclose its guidelines on business ethics as well as information about the implementation of such guidelines on its website and the Market Observation Post System?	✓		The Company has established its website and will set up a page to disclose business ethics related information.	
5. If the Company has established corporate governance policies based on "TWSE/TPEx-listed Corporate Conduct and Ethics Best Practice Principles", please describe any discrepancy between the policies and their implementation: No significant difference.				
6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (such as review of the Company's corporate conduct and ethics policy): a. The Company implements integrity management practices based on the Company Act, Securities and Exchange Act and other laws and regulations announced by competent authorities. b. "Rules of Procedure for Meetings of Board of Directors" adopted by the Company provides that, where there is an interested party relationship between any Director, or the juristic person that the director represents, and any agenda item, and such a relationship is likely to prejudice the interests of the Company, the director may state opinions and answer questions but may not participate in discussion of or voting on that agenda item, and shall recuse themselves during discussion of and voting on that item, and may not act as proxy of another director to exercise voting rights on that matter. c. The Company has adopted "Rules for Handling Internal Material Information" and "Insider Trading Policy" – when an insider is aware of material, non-public information pertaining to the Company, he/she must not disclose such information to any third party and shall prevent insider trading.				

g. If the Company has adopted best-practice principles or related by-laws, please disclose how these can be retrieved: http://www.aslanpharma.com

h. Other material information that would provide a better understanding of the Company's implementation of corporate governance measures: None.

i. Execution of internal control system

i. Internal Control Systems Statement

ASLAN Pharmaceuticals Limited
Internal Control Systems Statement

Date：2019.3.22

The Company has in accordance to the results of the self-assessment of the internal control systems for the period 2018/1/1 to 2018/12/31, providing the statement as follow:

1. The Company is fully aware that to establish, implement, and maintain the internal control systems are the responsibility of its Board of Directors and management. The Company has already established the internal control systems. The purpose is to reasonably ensure that the following objectives are achieved, a) Effectiveness and efficiency of operations (including profitability, performance, and protection of the safety of assets) b) Reliability, timeliness, transparency, and regulatory compliance of reporting c) compliance with applicable laws, regulations, and bylaws.
2. There are the inherent restrictions on the internal control systems. The effective internal control systems can only provide the reasonable assurance on the three objectives in paragraph 1 no matter how complete the design of the internal control systems is. Moreover, the effectiveness of internal control systems could be changed because of the change of the environment and situation. However, there is the self-supervision function in the internal control system of the Company. The Company will perform the correcting action immediately as soon as any deficiency was identified.
3. The Company determine if the design and implementation of the internal control systems is effective according to the criteria provided in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" promulgated by the Securities and Futures Commission, Ministry of Finance (hereinafter, the "Regulations"). The criteria adopted by the Regulations comprised the internal control systems as five constituent elements: a) Control environment b) Risk assessment c) Control activities d) Information and communication e) Monitoring activities. Each element includes several items. Please refer to the Regulations for details.
4. The Company has evaluated the effectiveness of the design and implementation of the internal control systems according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that during the stated time period its internal control system (including its supervision of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of the effectiveness and efficiency of operations, reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.
6. The Company engaged CPA to conduct a special audit of the internal control on the reliability of report and the protection of the safety of the assets in the period pursuant to article 25 of the Regulations and Article 8 of Taipei Exchange Operation Directions for the Administration of TPEx primary Listed Companies. As mentioned before, to the best of our knowledge and belief, the design and implementation are effective and with no material deficiency on the reliability of report and the protection of the safety of the assets was identified.
7. This Statement will become a major part of the content of the Company's Annual Report, Prospectus, and will be made to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
8. This statement has been resolved by the Board of Directors Meeting of the Company held on 22nd March 2019. The content of this Statement is affirmed without adverse opinion by 7 of the attending directors.

ASLAN Pharmaceuticals Limited

Chairman：

CEO：

ii. CPA's examination report:

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

內部控制制度審查報告

後附 ASLAN Pharmaceuticals Limited 及子公司民國 108 年 3 月 22 日謂經評估認為其與外部財務報導及保障資產安全有關之內部控制制度，於民國 107 年 12 月 31 日係有效設計及執行之聲明書，業經本會計師審查竣事。維持有效之內部控制制度及評估其有效性係公司管理階層之責任，本會計師之責任則為根據審查結果對公司內部控制制度之有效性及上開公司之內部控制制度聲明書表示意見。

本會計師係依照「公開發行公司建立內部控制制度處理準則」及一般公認審計準則規劃並執行審查工作，以合理確信公司上述內部控制制度是否在所有重大方面維持有效性。此項審查工作包括瞭解公司內部控制制度、評估管理階層評估整體內部控制制度有效性之過程、測試及評估內部控制制度設計及執行之有效性，以及本會計師認為必要之其他審查程序。本會計師相信此項審查工作可對所表示之意見提供合理之依據。

任何內部控制制度均有其先天上之限制，故 ASLAN Pharmaceuticals Limited 及子公司上述內部控制制度仍可能未能預防或偵測出業已發生之錯誤或舞弊。此外，未來之環境可能變遷，遵循內部控制制度之程度亦可能降低，故在本期有效之內部控制制度，並不表示在未來亦必有效。

依本會計師意見，依照「公開發行公司建立內部控制制度處理準則」之內部控制有效性判斷項目判斷，ASLAN Pharmaceuticals Limited 及子公司與外部財務報導及保障資產安全有關之內部控制制度，於民國 107 年 12 月 31 日之設計及執行，在所有重大方面可維持有效性；ASLAN Pharmaceuticals Limited 及子公司於民國 108 年 3 月 22 日所出具謂經評估認為其上述與外部財務報導及保障資產安全有關之內部控制制度係有效設計及執行之聲明書，在所有重大方面則屬允當。

勤業眾信聯合會計師事務所　　會計師　吳怡君

會計師　張鼎聲

張鼎聲　吳怡君

中華民國 108 年 3 月 22 日

j. In the financial year ended 31 December 2018 and up to the publication date of this annual report, whether any sanctions were imposed in accordance with the law upon the Company or its employees, whether any sanctions were imposed by the Company upon its employees for violations of internal control system provisions or principal deficiencies, and where applicable, the state of any efforts to make improvements: Not applicable.

k. In the financial year ended 31 December 2018 and up to the publication date of this annual report, important resolutions of shareholders' meeting and Board of Directors' meeting:

i. Important resolutions and implementation status of shareholders' meeting

Date	Important resolutions and implementation status
15 Jun 2018 (AGM)	1. The business report and financial statements of 2017 - Implementation status: Proceeded as per resolution by shareholders' meeting. 2. The deficit compensation for 2017 - Implementation status: Proceeded as per resolution by shareholders' meeting. 3. Amendments to the 'Procedures for Acquisition or Disposal of Assets' - Implementation status: Proceeded as per resolution by shareholders' meeting. The amended Procedures was uploaded to MOPS and the Company's website on 15 June 2018. 4. Amendments to the 'Rules and Procedures of Shareholders' Meeting' - Implementation status: Proceeded as per resolution by shareholders' meeting. 5. Amendments to the 'Procedures for Making Loan to Others' - Implementation status: Proceeded as per resolution by shareholders' meeting. The amended Procedures was uploaded to MOPS and the Company's website on 15 June 2018.
30 Oct 2018 (EGM)	1. Amendment to the Company's authorized share capital (ordinary resolution) - Implementation status: Proceeded as per resolution by shareholders' meeting. 2. Amendment to the Company's Fifth Amended and Restated Memorandum and Articles of Association (special resolution) - Implementation status: Proceeded as per resolution by shareholders' meeting. 3. To conduct capital increase by issuance of ordinary shares for sponsoring overseas depositary receipts or by issuance of the ordinary shares of the Company domestically (ordinary resolution) - Implementation status: Proceeded as per resolution by shareholders' meeting. 4. To conduct capital increase by issuance of overseas depositary receipts by private placement (supermajority resolution) - Implementation status: Proceeded as per resolution by shareholders' meeting. 5. To elect independent director - Implementation status: Proceeded as per resolution by shareholders' meeting. 6. To release the newly elected independent director from their non-competition restrictions (supermajority resolution) - Implementation status: Proceeded as per resolution by shareholders' meeting.

ii. Board meeting

Date	Important resolutions and execution situation
3 Jan 2018	1. To approve the signing of Array deal. The abovementioned resolution was unanimously resolved and approved by Board of Directors.
2 Mar 2018	1. To review and approve the 2017 Business Report and FY2017 IFRS and T-IFRS audited consolidated financial statements and auditor's report and the same be submitted to the next general meeting for shareholders' review and approval. 2. To approve the deficit compensation statement for 2017 and the same be submitted to the next general meeting for shareholders' ratification. 3. To approve the internal control system statement for the period from 1 Jan 2017 to 31 Dec 2017. 4. To approve amendments of ASLAN internal control policies in accordance with Taiwan and US regulations. 5. To review Deloitte independent assertion for certified public accountant and to engage Deloitte – Dien Chang and Jessie Wu as the CPA for ASLAN Cayman FY2018 financial audit. 6. To convene the Annual General Meeting of 2018. The abovementioned resolutions were unanimously resolved and approved by Board of Directors.
26 Mar 2018	1. To resolve and authorise Form F-1 Registration Statement. 2. To resolve and approve the Underwriting Agreement. 3. To resolve and approve the deposit agreement appointing J.P. Morgan Chase Bank, N.A. as the Depository for

Date	Important resolutions and execution situation
	the ADSs. 4. To adopt Corporate Governance and Compliance Policies and to adopt amendments for Investment Policy. 5. To approve the pricing and number of shares in the IPO. The abovementioned resolutions were unanimously resolved and approved by Board of Directors.
04 May 2018	1. To review and to approve Q1 2018 consolidated financial statements and the interim review report by Deloitte & Touché.
06 Jun 2018	1. To review and approve the capital increase in ASLAN Pharmaceuticals Pte Ltd.
30 Jul 2018	1. To review and to approve the Q2 2018 consolidated financial statements and the audited interim review report by Deloitte.
10 Sep 2018	1. Proposed to increase the share capital of the Company. 2. Proposed amendments and restatements of the Fifth Amended and Restated Memorandum and Articles of Association. 3. To conduct capital increase by cash by issuance of ordinary shares for sponsoring overseas depositary receipts or by issuance of ordinary shares domestically. 4. To conduct capital increase by the issuance of overseas depositary receipts by private placement. 5. Election of the Company's Independent Director. 6. To release the newly elected independent director from non-competition restrictions. 7. To convene the First Extraordinary Shareholders' Meeting of 2018.
02 Oct 2018	1. To review the qualification checklist and approve the nominated director candidates presented by the Nomination Committee for the director election to be held at the next shareholders meeting. 2. To get the formal Board approval to set up a legal entity in the US.
07 Nov 2018	1. Q3 2018 consolidated FS and the interim CPA review report by Deloitte & Touche. 2. The appointment and remuneration of Mr Robert E Hoffman. 3. 2019 internal audit plan 4. To approve the issuance of ordinary shares for sponsoring the issuance of American Depository Receipts.
06 Jan 2019	1. Form F-1 Registration Statement 2. Underwriting Agreement 3. Approval of Pricing and number of shares in the Offering. 4. Interim IFRS Q3 2018 Financial statement
29 Jan 2019	1. 2019 Restructuring plan The abovementioned resolutions were unanimously resolved and approved by Board of Directors.
26 Feb 2019	1. To approve the out-licensing of Korea rights for *Varlitinib* to Biogenetics Co., Ltd. 2. To approve the 2019 objectives. The abovementioned resolutions were unanimously resolved and approved by Board of Directors.
11 Mar 2019	1. To approve the out-licensing of Korea rights for ASLAN003 to Biogenetics Co., Ltd. The abovementioned resolutions were unanimously resolved and approved by Board of Directors.
22 Mar 2019	1. To review and to approve the 2018 Business Report and 2018 T-IFRS consolidated financial statements and independent auditors' report and the same be submitted to the next general meeting for shareholders' review and ratification. 2. To approve the deficit compensation statement for 2018 and the same be submitted to the next general meeting for shareholders' ratification. 3. To approve the Statement of Internal Control System for the period from 1 January 2018 to 31 December 2018. 4. To approve the proposed amendments and restatements of the Sixth Amended and Restated Memorandum and Articles of Association and the same be submitted to the next general meeting for shareholders' review and approval. 5. To review and approve amendments of ASLAN internal control policies in accordance with latest Taiwan regulation updates. 6. To review Deloitte's independent assertion represented by Dien Sheng Chang and Jessie Wu and to approve the 2019 audit engagement for ASLAN Cayman and the group. 7. To approve the capital increase from ASLAN Pharmaceuticals Limited (ASLAN Cayman) to its' fully owned subsidiary ASLAN Pharmaceuticals Pte Ltd (ASLAN Singapore). 8. To determine the total number of directors be elected for the next term. 9. Re-election of board of directors. 10. To release the newly elected directors (include independent directors) from non-competition restrictions. 11. To convene the Annual General Meeting of 2019. The abovementioned resolutions were unanimously resolved and approved by Board of Directors.

l. In the financial year ended 31 December 2018 and up to the publication date of this annual report, if a director or supervisor has different opinions on important resolutions passed during the Board of Directors Meeting: Not applicable.

m. In the financial year ended 31 December 2018 and up to the publication date of this annual report, the table below sets out a summary of the resignation or dismissal of Chairman, General Manager, Accounting Director, Financial Director, Internal Audit Director and/or R&D Director etc:

Title	Name	Start date	End date	Reason for resignation or dismissal
Chief Medical Officer	Bertil Lindmark	1 Mar 2015	31 Jan 2019	Retirement. The Company appointed Dr Chih-Yi Hsieh as acting Chief Medical Officer on the date of Bertil's resignation.

5. CPA's fee information

Name of accounting firm	Name of accountants	Audit period	Remark
Deloitte & Touche	Dien Chang, Jessie Wu	Jan 2018 – Dec 2018	-

Numerical range of amounts / Fee items		Audit fees	Non-audit fees	Total
1	Below NT$2,000,000	-	-	-
2	NT$2,000,000 (inclusive)～NT$4,000,000	2,980,000	-	2,980,000
3	NT$4,000,000 (inclusive)～NT$6,000,000	-	-	-
4	NT$6,000,000 (inclusive)～NT$8,000,000	-	-	-
5	NT$8,000,000 (inclusive)～NT$10,000,000	-	-	-
6	Above NT$10,000,000 (inclusive)	-	16,500,000	16,500,000

Name of accounting firm	Name of accountants	Audit fees (NT$)	Non-audit fees					Examination period	Remark
			System design	Buniness registration	Human resources	Other	Subtotal		
Deloitte & Touche	Dien Change Jessie Wu	2,980,000	0	0	0	16,500,000	19,480,000	Jan 2018 – Dec 2018	-

a. When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed: The non-audit fee refers to the US IPO fee amounted to US$550K.

b. When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: Not applicable.

c. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: Not applicable.

6. Information on change of accountant: Not applicable.

7. Whether the Chairman, General Manager, and managers responsible for financial and accounting affairs of the Company once worked in the affiliated firm or enterprise of the certified public accountant in the last year: Not applicable.

8. Directors, supervisors, technical shareholders, managers, technology and research and

development personnel, and shareholders holding more than 5% of outstanding shares that transferred or pledged their shares in the most recent year and up to the printing date of the annual report

a. Directors, supervisors, technical shareholders, managers, technology and research and development personnel, and shareholders holding more than 5% of outstanding shares that transferred or pledged their shares in the most recent year and up to the printing date of the annual report:

Title	Name	2018		1 Jan 2019 – 31 Mar 2019	
		Increase / decrease of shares held	Increase /decrease of shares pledged	Increase /decrease of shares pledged	Increase /decrease of shares pledged
Chairman	Carl Firth (Note 1)	63,000 (63,000)	-	-	-
Director	Advanced Medtech Holdings Pte Ltd Representative: Abel Ang	-	-	-	-
Director (holds 5% or above)	Alnair Investment Representative: Jun Wu	-	-	-	-
Director (holds 5% or above)	BV Healthcare II Pte. Ltd. Representative: Damien Lim	-	-	-	-
INED	Andrew Howden	-	-	-	-
INED	Chin-Feng Sun	-	-	-	-
INED	Robert E. Hoffman (Note 2)	-	-	-	-
COO	Mark McHale (Note 3)	-	-	-	-
CBO	Jeffrey Tomlinson (Note 4)	-	-	(1,767,234) 1,767,234 (36,000)	-
General Counsel	Ben Goodger	-	-	-	-
VP of Finance	Kiran Asarpota (Note 5)	36,000	-	(18,000)	-
CBO	Stephen Doyle	-	-	-	-
VP of Medical	Chih Yi Hsieh	20,000	-	-	-
Medical Director	Hsuan Jen Shih (Note 7)	-	-	-	-
VP Clinical Operations	Lilian Chow	-	-	-	-
Scientific Director	Lisa Ooi (Note6)	-	-	-	-
Director, CMC	Rob Moore	-	-	-	-
Director, Biologics Process Development	Alison Ward	-	-	-	-

Note 1: Including shares held by Kimba Capital Limited on behalf of Carl Firth.
Note 2: Mr. Hoffman joined our board of directors on October 30, 2018.
Note 3: Including shares held by Match Point Developments Limited on behalf of Mark McHale.
Note 4: Including shares held by WJT Holdings Limited on behalf of Jeffrey Tomlinson.
Note 5: Including shares held by Maybank Kim Eng Securities Pte Ltd on behalf of Kiran Asarpota.
Note 6: Dismissed on 17 Jan 2019.
Note 7: Dismissed on 19 Jan 2019.

b. If the recipient of a share transfer is a related person, the recipient's name should be provided. The recipient's relationship with the Company, directors, supervisors and shareholders holding more than 5% of outstanding shares, and the number of the shares acquired or pledged shall also be disclosed: None.

c. Recipients of pledged shares from directors, supervisors, people holding managerial positions, technology and R&D personnel, and shareholders with more than 5% of issued share capital: None.

9. List of top ten shareholders in shareholding are of interested party, spouse or relatives within second degree relationship mutually

30 Oct 2018

Name	Shares held		Shares held by spouse and children		Shares held under related parties		Relationships and names of related parties, spouses or relatives within the first two degrees of kinship		Remark
	Shares	%	Shares	%	Shares	%	Name	%	
JPMorgan Chase bank	30,000,000	18.72							
Alnair Investment (Representative: Jun Wu)	8,823,528	5.51	-	-	1,063,830	0.66	-	-	-
BV Healthcare II Pte Ltd (Representative: Damien Lim)	7,542,112	4.71	-	-	-	-	-	-	-
Milestone Healthcare I Ltd (Representative: No information)	5,309,735	3.31	-	-	-	-	-	-	-
Excel Tactic Investments Ltd (Representative: No information)	4,526,922	2.82	-	-	-	-	-	-	-
Guan Yu Chan	4,255,320	2.66	-	-	-	-	-	-	-
Kimba Capital Ltd (Representative: Carl Firth)	3,344,340	2.09	-	-	-	-	-	-	-
Ma Ong Kee	3,191,490	1.99	-	-	-	-	-	-	-
Manbant Investment Limited (Representative: No information)	3,191,490	1.99	-	-	-	-	-	-	-
Naga Capital Partner	2,804,108	1.75	-	-	-	-	-	-	-

Note: The data shown in this table was provided by TDCC as of 30 October 2018 the most recent book-closure period of the Company on the printing date.

10. The company's shareholding interest in subsidiaries, including direct and/or indirect holdings by directors, supervisors and managers

Investees	Investment by ASLAN Pharmaceutical Ltd		Direct and indirect investment by directors, supervisors, and managers		Total investment	
	Shares	%	Shares	%	Shares	%
ASLAN Pharmaceuticals Pte. Ltd.	121,853,313	100	-	-	121,853,313	100
ASLAN Pharmaceuticals Taiwan Ltd	500,000	100	-	-	500,000	100
ASLAN Pharmaceuticals Australia Pty Ltd	1	100	-	-	1	100
ASLAN Pharmaceuticals Hong Kong Ltd	1	100	-	-	1	100
ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	(Note)	100	-	-	(Note)	100

Note: No shares issued due to limited company status.

IV. Fundraising Situation

1. Capital and shares

a. Source of capital stock

Date	Issue price (US$)	Authorised share capital		Paid-in capital		Remark		
		Number of shares	Amount	Total number of outstanding shares	Amount (US$)	Sources of capital	Subscription of shares with property other than cash	Others
Jun 2017	NT$68.92	200,000,000	NT$2,000,000,000	130,128,940	NT$1,301,289,400	Ordinary shares: 14,458,000 shares	None	Note 1
May 2018	7.03	200,000,000	NT$2,000,000,000	160,128,940	NT$1,601,289,400	Ordinary shares: (ADS) 30,000,000 shares	None	Note 2
Aug 2018	NT$10	200,000,000	NT$2,000,000,000	160,248,940	NT$1,602,489,400	Ordinary shares: (ESOS) 120,000 shares	None	Note 3
Oct 2018	NT$10	500,000,000	NT$5,000,000,000	160,248,940	NT$1,602,489,400	NA	None	Note 4

Note 1: Conducted cash capital increase per No. TPEx-10600062612

Note 2: Conducted cash capital increase per No. FSC-1060049975

Note 3: Conducted ESOS per No. TPEx-10600062611

Note 4: Increased authorized share capital to NT$5,000,000,000 on 30 Oct 2018 EGM.

31 March 2019

Type of shares	Authorised share capital			Remark
	Outstanding shares	Unissued shares	Total	
Common shares	160,248,940	339,751,060	500,000,000	Listed on TPEx

Note 1: Par value is NT$10.

b. Shareholder structure

1 October 2018

Shareholder structure	Government institution	Financial institutions	Other institutions	Individuals	Foreign institutions and individuals	Total
Number of people	0	0	21	4,403	109	4,533
Number of shares held	0	0	2,023,531	23,694,566	134,530,843	160,248,940
Shareholding (%)	0	0	1.26	14.79	83.95	100.00

Note 1: 'Individuals' refers to individuals with ROC nationality only, while 'Foreign institutions and individuals' refers to non-ROC nationals and entities.

Note 2: The data shown in the table above is based on the 'Sources of Capital' provided by KGI Stock Service Department as of 1 October 2018 the most recent book-closure period of the Company.

Note 3: Shareholders from China represents 4.97% of the total issued shares.

c. Shares diversification

1 October 2018

Number of shares			Number of shareholders	Number of shares held	Shareholding (%)
1	to	999	72	7,861	0.00
1,000	to	5,000	3,602	6,551,364	4.09
5,001	to	10,000	371	2,990,130	1.87
10,001	to	15,000	131	1,703,000	1.06
15,001	to	20,000	78	1,458,000	0.91
20,001	to	30,000	69	1,782,377	1.11
30,001	to	40,000	29	1,036,310	0.65
40,001	to	50,000	27	1,247,877	0.78
50,001	to	100,000	50	3,497,270	2.18
100,001	to	200,000	28	3,845,455	2.40
200,001	to	400,000	16	4,619,018	2.88
400,001	to	600,000	14	6,624,021	4.13
600,001	to	800,000	5	3,609,250	2.25

Number of shares	Number of shareholders	Number of shares held	Shareholding (%)
800,001 to 1,000,000	3	2,748,956	1.72
Above 1,000,000,1	38	118,528,051	73.97
Total	4,533	160,248,940	100%

d. List of major shareholders:

Shareholders in possession of more than 5% of total shares or top ten shareholders

1 October 2018

Shareholder	Number of shares	% held
JPMorgan Chase Bank	30,000,000	18.72
Alnair Investment	8,823,528	5.51
BV Healthcare II Pte Ltd	7,542,112	4.71
Milestone Healthcare I Limited	5,309,735	3.31
Excel Tactic Investments Limited	4,526,922	2.82
Guan Yu Chan	4,255,320	2.66
Kimba Capital Limited	3,344,340	2.09
Ma Ong Kee	3,191,490	1.99
Manbant Investment Limited	3,191,490	1.99
Naga Capital Partners (Cayman) Limited	2,804,108	1.75

e. Market price, net value, earnings, dividend per share and relevant materials in the last two years:

Item		2017	2018
Market price	Maximum (NT$)	59.80	62.50
	Minimum (NT$)	30.80	25.25
	Average (NT$)	39.88	40.94
Net book value per share	Before distribution (NT$)	8.09	5.84
	After distribution (NT$)	8.09	5.84
Earnings	Weighted average number of shares (thousand shares)	124,425	149,740
	Earnings per share (loss) (NT$)	(9.71)	(8.49)
Dividends	Cash dividend	-	-
	Stock Dividend Issuance	-	-
	Accumulated unpaid dividend	-	-
Return on investment	Price-to-earnings ratio	(4.11)	(4.82)
	Price-to-dividend ratio	-	-
	Cash dividend yield	-	-

f. Corporate dividend policy and execution condition

i. Dividend policy (as set forth in the memorandum and articles of association)

ASLAN's dividend policy is specified in Article 135 to 140 of the current Memorandum and Articles of Association:

135. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor. For so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, the Company shall not pay any dividends or bonuses if (a) it does not have earnings, or (b) it has not yet covered its losses.

136. Subject to the Law, when allocating the earnings for each fiscal year, the Company shall, after paying all or reserving such amounts for applicable taxes and offsetting losses from previous years, set aside 10% of the balance as a reserve (the "10% Reserve") and other special reserve or reverse

special reserve pursuant to the Applicable Listing Rules, the Board of Directors may distribute the remaining earnings together with any undistributed retained earnings accrued from prior years of the Company as cash dividends and/or stock dividends to the Shareholders; provided that the dividends distributed to the Shareholders pursuant to this Article 136 shall comprise no less than 1% of the net profit after tax of the relevant fiscal year. The cash dividends shall comprise no less than 50% of the total dividends declared in such year.

Subject to the Law, where the Company incurs no loss it may by a Supermajority Resolution declare dividends and/or bonuses to the Shareholders out of from the 10% Reserve, the premium paid on the issuance of any share and income from endowments received by the Company; provided that, where the cash dividends and/or stock dividends are out of from the 10% Reserve, only the portion of the 10% Reserve which exceeds 25 percent of the paid-in capital of the Company may be distributed. Subject to Article 37, the Board of Directors shall prepare the plan of distributions and submit such plan for the approval of the Shareholders at the general meeting.

Unless otherwise provided in the Applicable Listing Rules, where the Company makes profits before tax for the annual financial year, the Company shall allocate (a) no less than 0.1% of such annual profits before tax for the purpose of employees' remunerations (including employees of the Company and/or any subsidiaries of the Company) (the "Employees' Remunerations"); and (b) a maximum of 1% of such annual profits before tax for the purpose of Directors' remunerations (the "Directors' Remunerations"). Notwithstanding the foregoing paragraph, if the Company has accumulated losses of the previous years for the annual financial year, the Company shall set aside the amount of such accumulated losses prior to the allocation of Employees' Remunerations and Directors' Remunerations. Subject to the Law, the Applicable Listing Rules and notwithstanding Article 151, the Employees' Remunerations and the Directors' Remunerations may be distributed in the form of cash and/or bonus shares, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds or more of the Directors. The resolutions of Board of Directors regarding the distribution of the Employees' Remunerations and the Directors' Remunerations in the preceding paragraph shall be reported to the Shareholders at the general meeting after such Board resolutions are passed.

While the Company is still at the growth stage, any balance of earnings together with any undistributed retained earnings accrued from prior years may be distributed as cash dividends and/or bonus shares in accordance with the Law and Applicable Listing Rules, after taking into consideration the investment environment, capital requirement, domestic and overseas competition environment and capital budget of the Company current or future, as well as shareholders interest, balance of dividend and long term financial plan of the Company.

The Company shall not be required to set aside the 10% Reserve pursuant to this Article if and when the aggregate reserves from the 10% Reserve reach 100% of the paid-in capital of the Company.

137. Any dividend may be paid by cheque sent through the post to the registered address or by remittance or otherwise to the designated account of the Shareholder or Person entitled thereto, or in the case of joint holders, to the representative of such joint holders at his registered address or to his designated account or to such Person and such address/account as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.

138. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the number of the Shares held by the Shareholders.

139. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.

140. No dividend shall bear interest against the Company.

ii. Distribution of dividends proposed

Based on the approvals from a meeting of the Board of Directors on 22 March 2019, ASLAN will not distribute dividends as retained earnings are negative. The resolution will be proposed to the AGM.

g. Impact of proposed stock dividend issuance to company performance and EPS: Not applicable

h. Remuneration for employees, directors and supervisors

i. Percentages or range of remuneration for employees, directors and supervisors specified in the Company's Memorandum and Articles of Association: See 16 through 19 of this Annual Report.

ii. Basis for estimating the amount of compensation due to employees, directors, and supervisors and the number of shares to be distributed as compensation. Please also provide the accounting treatment of any discrepancies between the actual distributed amount and estimated figures for the current period: Not applicable.

iii. Remuneration approved by the Board of Directors: None.

iv. Remuneration to employees, directors and supervisors in the previous year (including distributed shares, amounts and share price). Please provide justifications for variances from the original recognised figures: Not applicable.

i. Company shares re-purchased by ASLAN: None.

2. Issuance of corporate bonds: Not applicable.

3. Issuance of Preferred Shares: Not applicable.

4. Issuance of global depository receipt:

Issuing Date			4 May 2018
Issuance and listing			Nasdaq Global Market
Total amount (US$)			$42,180,000
Offering price per ADS (US$)			$7.03
Units issued			6,000,000
Underlying securities			New shares of cash capital increase
Common shares represented			The actual units for this offering were 6,000,000 ADSs, each ADS represents five of the company's ordinary shares, total representing 30,000,000 Ordinary Shares.
Rights and obligations of ADS holders			Same as those of Ordinary Share Holders
Trustee			Not applicable
Depositary bank			J.P. Morgan Chase Bank, N.A.
Custodian bank			J.P. Morgan Chase Bank, N.A., Taipei Branch
ADSs outstanding			5,973,807
Appointment of expenses for issuance and maintenance			Borne by the Company
Terms and conditions in the Deposit Agreement and Custody Agreement			See Deposit Agreement and Custody Agreement for Details
Closing price per ADS (US$)	2018	High	$10.24
		Low	$2.86
		Average	$6.99
	1 Jan 2019 to 31 Mar 2019	High	$4.8
		Low	$3.1
		Average	$3.73

5. Issuance of Employee Stock Options

a. Status of valid options

31 March 2019

	ESOS		ESOS		ESOS		ESOS	
Date of effective registration	NA		NA		NA		NA	
Issue date	1 Jul 2010		1 Jul 2011		1 Jul 2012		1 Jul 2013	
Validity	Valid for 10 years starting from the date of issuance		Valid for 10 years starting from the date of issuance		Valid for 10 years starting from the date of issuance		Valid for 10 years starting from the date of issuance	
Number of units issued (Note 2)	Original issued options were 661,000 (each option allows the purchase of 2 shares)		Original issued options were 910,000. 23,750 were invalid and 886,250 remain (each option allows the purchase of 2 shares)		Original issued options were 669,750. 17,500 were invalid and 652,250 remain (each option allows the purchase of 2 shares)		Original issued options were 619,250. 5,500 were invalid and 613,750 remain (each option allows the purchase of 2 shares)	
Shares granted to total issued shares	0.82%		1.11%		0.81%		0.77%	
Subscription period	Vesting date to end of validity		Vesting date to end of validity		Vesting date to end of validity		Vesting date to end of validity	
Exercise method	New issue		New issue		New issue		New issue	
Period and ratio in which subscription is restricted (%)	Vesting schedule:		Vesting schedule:		Vesting schedule:		Vesting schedule:	
	Period	Accumulated percentages	Period	Accumulated percentages	Period	Accumulated percentages	Period	Accumulated percentages
	Date of issuance	25%	Date of issuance	25%	Date of issuance	25%	Date of issuance	25%
	1 yr expired	50%	1 yr expired	50%	1 yr. expired	50%	1 yr expired	50%
	2 yr expired	75%	2 yr expired	75%	2 yr. expired	75%	2 yr expired	75%
	3 yr expired	100%	3 yr expired	100%	3 yr. expired	100%	3 yr expired	100%
Number of shares obtained via exercise of subscription rights	60,000		60,000		(Note 4)		(Note 5)	
NT$ amount of shares subscribed	NT$734,206		NT$734,206		(Note 4)		(Note 5)	
Number of unsubscribed shares	1,262,000		1,712,500		1,304,500		1,227,500	
Share price of unsubscribed shares (Note 2)	US$0.1 US$0.4		US$0.1 US$0.4		US$0.4		US$0.4 US$0.68	
Number of unsubscribed shares to the number of issued and outstanding shares (%)	0.79%		1.07%		0.81%		0.77%	
Effect on shareholders' equity (Note 3)	0.79%		1.07%		0.81%		0.77%	

	ESOS		ESOS		ESOS		ESOS	
Date of effective registration	NA		NA		NA		13 Sep 2017	
Issue date	1 Jul 2014		1 Jul 2015		1 Jul 2016		25 Sep 2017	
Validity	Valid for 10 years starting from the date of issuance		Valid for 10 years starting from the date of issuance		Valid for 10 years starting from the date of issuance		Valid for 10 years starting from the date of issuance	
Number of units issued (Note 2)	Original issued options were 680,625. 62,188 were invalid and 618,437 remain (each option allows the purchase of 2 shares)		Original issued options of 2,477,336. 11,042 were invalid and 2,466,294 remain (each option allows the purchase of 2 shares)		Original issued options of 1,032,250. 79,875 were invalid and 952,375 remain (each option allows the purchase of 2 shares)		Original issued options of 825,833. 179,000 were invalid and 646,833 remain (each option allows the purchase of 1 shares)	
Ratio of subscribable shares to total issued shares	0.77%		3.08%		1.19%		0.4%	
Subscription period	Vesting date to end of validity		Vesting date to end of validity		Vesting date to end of validity		Vesting date to end of validity	
Exercise method	New issue		New issue		New issue		New issue	
Period and ratio in which subscription is restricted (%)	Vesting schedule:		Vesting schedule:		Vesting schedule:		Vesting schedule:	
	Period	Accumulated percentages	Period	Accumulated percentages	Period	Accumulated percentages	Period	Accumulated percentages
	Date of issuance	25%	Date of issuance	25%	Date of issuance	25%	Date of issuance	0%
	1 yr. expired	50%	1 yr. expired	50%	1 yr. expired	50%	1 yr. expired	0%
	2 yr. expired	75%	2 yr. expired	75%	2 yr. expired	75%	2 yr. expired	100%
	3 yr. expired	100%	3 yr. expired	100%	3 yr. expired	100%	3 yr. expired	-
Number of shares obtained via exercise of subscription rights	(Note 6)		(Note 7)		(Note 8)		(Note 9)	
NT dollar amount of shares subscribed	(Note 6)		(Note 7)		(Note 8)		(Note 9)	
Number of unsubscribed shares	1,236,874 (Note 6)		4,932,588 (Note 7)		1,904,750 (Note 8)		646,833	
Share price of unsubscribed shares (Note 2)	US$0.68		US$0.68 US$0.94		US$1.13		NT$38.5	
Number of unsubscribed shares to the number of issued and outstanding shares (%)	0.77%		3.08%		1.19%		0.40%	
Effect on shareholders' equity (Note 3)	0.77%		3.08%		1.19%		0.40%	

Note 1: ASLAN was still a private company before 2017. These issuances were approved by the remuneration committee and the Board of Directors.

Note 2: With approval from the extraordinary general meeting of the Company on 27 May 2016, ASLAN split all ordinary shares and preferred shares with a par value of US$0.001 into two. The par value was correspondingly reduced to US$0.0005. ASLAN then bought back the preferred shares with ordinary shares, and converted all ordinary shares with a par value of US$0.0005 into NT$10.

Note 3: The purposes of granting options in ASLAN are to attract and retain talent, and motivate employees. The ratio of total unexercised options to issued shares is 11.16%. There is no significant impact from share dilutions.

Note 4: Qualified individuals were vested options totalling 1,304,500 shares. None of them were exercised.

Note 5: Qualified individuals were vested options totalling 1,227,500 shares. None of them were exercised.

Note 6: Qualified individuals were vested options totalling 1,236,874 shares. None of them were exercised.

Note 7: Qualified individuals were vested options totalling 4,932,588 shares. None of them were exercised.

Note 8: Qualified individuals were vested options totalling 1,514,626 shares. None of them were exercised.

Note 9: Qualified individuals were vested options totalling 0 shares. None of them were exercised.

b. Management team and top 10 employees who received options (as of the date of annual report)

31 March 2019

	Title	Name	Number of shares obtained (Note 3)	Number of shares obtained to the number of issued and outstanding shares	Subscribed				Unsubscribed			
					Number of shares	Subscription price per share	Amount (NT$)	Number of subscribed shares to the number of issued and outstanding shares	Number of shares (Note 1)	Subscription price per share	Amount (US$)	Number of subscribed shares to the number of issued and outstanding shares
Management Team	CEO	Carl Firth	10,291,000	6.38%					10,291,000	US$0.10 US$0.40 US$0.68 US$0.94 US$1.13 (Note 2)	US$7,506,480	6.38%
	CBO	Jeffrey Tomlinson										
	COO	Mark McHale										
	CMO	Bertil Lindmark										
	General Counsel	Ben Goodger										
	VP Finance	Kiran Asarpota										
Employees		Francis Chan (Note 4)	2,984,000	1.86%					2,984,000	US$0.10 US$0.40 US$0.68 US$0.94 US$1.33 NT$38.50	US$1,575,740	1.86%
		Alan Barge (Note 5)										
		Mike Kleine (Note 6)										
	VP Medical	Lilian Chow										
	Sr BD Director	Isana Endo										
	Scientific Director	Lisa Ooi										
	VP Medical	Chih Yi, Hsieh										
	CMC Director	Rob Moore										
	Corporate Affairs Director	Louisa Hsu										
	Biologics Process Development Director	Alison Ward										

Note 1: Number of shares granted to personnel listed in the table and number of shares qualified for exercise but unexercised for managers and top 10 employees are: 6,779,000 shares and 2,089,504 shares respectively.

Note 2: With approval from the extraordinary general meeting of the Company on 27 May 2016, ASLAN split all ordinary shares and preferred shares with a par value of US$0.001 into two. The par value was correspondingly reduced to US$0.0005. ASLAN then bought back the preferred shares with ordinary shares, and converted all ordinary shares with a par value of US$0.0005 into NT$10.

Note 3: Excludes cancelled options within the valid period (originally owned by employees that have resigned).

Note 4: Resigned from ASLAN on 31 July 2013.

Note 5: Resigned from ASLAN on 20 September 2016.

Note 6: Resigned from ASLAN on 15 April 2016.

c. Status of new restricted employee shares for which vesting conditions have not been met: Not applicable.

d. Managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired (cumulative to the date of annual report): Not applicable.

6. Status of Mergers and Acquisitions

The Company completed a restructuring of ASLAN Pharmaceuticals Pte. Ltd. through a share swap on 26 September 2014. Shareholders of ASLAN Pharmaceuticals Pte. Ltd. transferred their respective shares, including ordinary shares, Series A and Series B preferred shares, to the Company at a ratio of 1:1. After the completion of the restructuring, the Company became the holding company of ASLAN Pharmaceuticals Pte. Ltd.

7. Issue plan and implementation

a. Capital increase in 2015

i. Reference number: Not applicable

ii. Amount: US$41.19 million

iii. Source of funding: issuance of 21,909,043 Series C preferred shares at the issuance price of US$1.88 per share

iv. Implementation

1) Details

Project	Completion date	Amount (US$000)	Estimated timeline for utilisation of funds	Status
Operational needs	2016Q1	41,189	2016Q1	Completed

2) Financial effects

	1H 2015 (pre-capital increase)	1H 2016 (Post-capital increase)
Current Assets (NT$)	54,585,000	1,700,735,000
Total Assets (NT$)	59,556,000	1,708,955,000
Current Liabilities (NT$)	41,696,000	26,702,000
Total Liabilities (NT$)	309,118,000	317,001,000
Debt Ratio (%)	519.03	18.55
Current Ratio (%)	130.91	6,369.32

As shown above, the debt ratio decreased from 519.03% to 18.55% and the current ratio increased from 130.91% to 6369.32%

b. Capital increase in 2016

i. Reference number: Not applicable

ii. Amount: US$22.22 million

iii. Source of funding: issuance of 19,667,141 ordinary shares with par value NT$10 each, at the issuance price of US$1.13 per share.

iv. Implementation

1) Execution

Project	Estimated completion date	Amount (US$000)	Estimated timeline for utilisation of funds	Status
Operational needs	2016Q2	22,224	2016Q2	Completed

2) Financial effects

	2015 (pre-capital increase)	2016 (pre-capital increase)
Current Assets (NT$)	890,962,000	1,718,671,000
Total Assets (NT$)	896,162,000	1,737,872,000
Current Liabilities (NT$)	33,043,000	123,061,000
Total Liabilities (NT$)	312,534,000	392,753,000
Debt Ratio (%)	34.87	22.60
Current Ratio (%)	2,696.37	1,396.60

As shown in the above table, the debt ratio decreased from 34.9% to 22.6% and the current ratio decreased from 2,696.37% to 1,396.6% of the 2016 capital increase

c. Capital increase in 2017

i. Reference number: 10600062612

ii. Amount: NT$996.49 million

iii. Source of funding: issuance of 14,458,000 ordinary shares with par value NT$10 each, at the issuance price of NT$68.92 per share.

iv. Implementation

Project	Estimated completion date	Amount (NT$000)	Estimated timeline for utilisation of funds	Status
Operational needs	2017Q2	996,495	2017Q2	Completed

d. Capital increase in 2018

i. Reference number: 1060049975

ii. Amount: US$42.18 million

iii. Source of funding: issuance of 30,000,000 ordinary shares (6,000,000 ADS) with par value NT$10 each, at the issuance price of US$7.03 per share.

iv. Implementation: Refer to quarterly fund utilization on MOPS.

V. Business Overview

1. Business

a. Scope

i. Overview

We are a clinical-stage oncology and immunology focused biopharmaceutical company based in Singapore developing novel therapeutics for global markets. We target diseases that are both highly prevalent in Asia and orphan indications in the United States and Europe. Our Asia development platform is designed to enable us to accelerate the development of drugs to treat these diseases. Our portfolio is comprised of three product candidates which target: validated growth pathways applied to new patient segments; novel immune checkpoints; and novel cancer metabolic pathways.

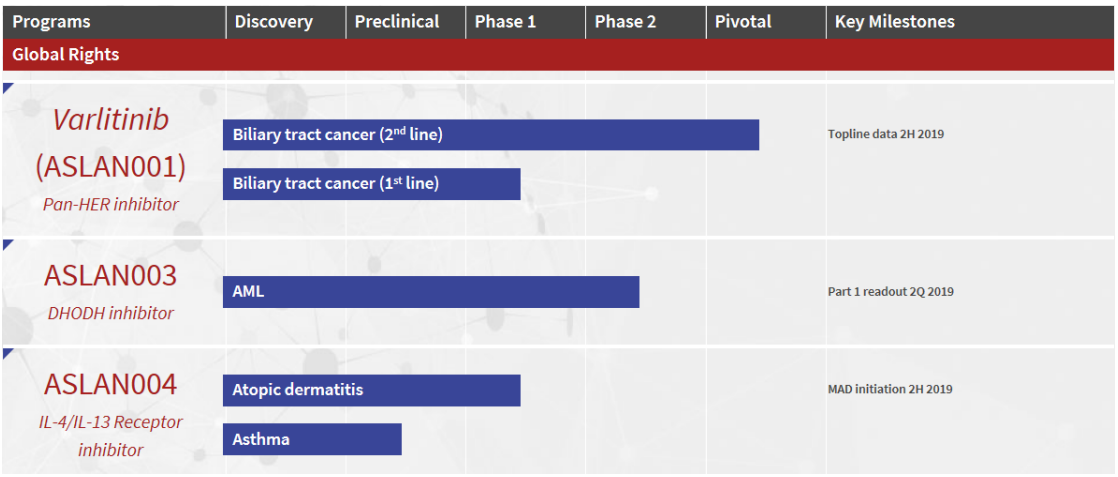
Our lead programme, *varlitinib*, is a reversible small molecule pan-HER inhibitor that targets the human epidermal growth factor receptors HER1, HER2 and HER4. *Varlitinib* is currently being studied in a global pivotal clinical trial for biliary tract cancer for which we expect to report topline data in the second half of 2019.

ii. Revenue breakdown

Since our inception in 2010, we have devoted substantially all of our resources to acquiring rights to, and developing our product candidates, including preclinical studies and clinical trials and providing general and administrative support for our operations. We have not generated any revenue from product sales and we do not currently have any products approved for commercialisation. We did not generate revenue for the year ended 31 December 2018 and 2017.

iii. Our product candidates

Our portfolio is principally comprised of four product candidates. The following table summarises our product candidate pipeline:

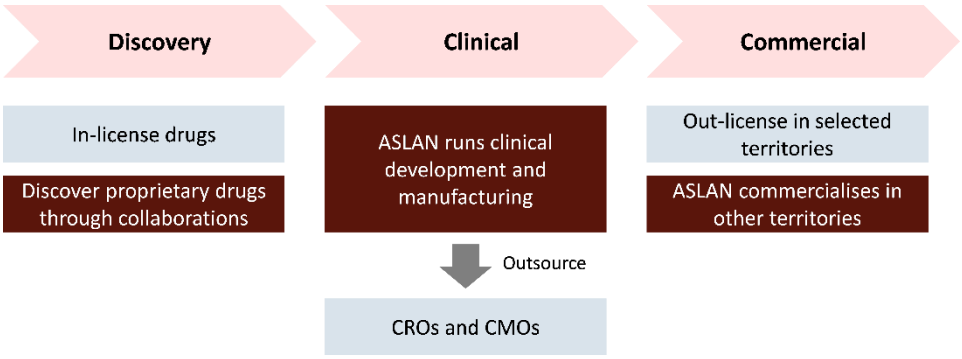


b. Industry overview

i. Current status and development of the industry (Opportunity and rationale for drug development in Asia)

Cancer is one of the leading causes of death globally and is rapidly overtaking heart disease in many developed countries to become the number one cause of mortality. In 2015, there were approximately 1.7 million new cases of cancer and 600,000 deaths caused by cancer in the US, as compared to 4.3 million new cases and 2.8 million deaths in China alone. Historically, there has been more research in cancers common in the US and Europe, such as breast and lung cancer, than there has been in other cancer types which are more prevalent in Asia. This lack of research has contributed to fewer treatment options for those cancers that are more prevalent in Asia. For example, in 2016 the prevalence of biliary tract cancer was over 200,000 patients in Asia, compared to approximately 12,600 in the US, and there are no therapies approved to treat this disease. For the cancers on which we are focusing, such as biliary tract cancer, patients typically present with late-stage disease that has already metastasized. These patients are often not eligible for surgery and curative options are limited. Currently, no drugs are approved in the United States for biliary tract cancer, which has a median overall survival of 11.7 months. We have designed our clinical trials to target the patients most likely to respond to our product candidates, which will be a subset of the overall patient population for the targeted indication.

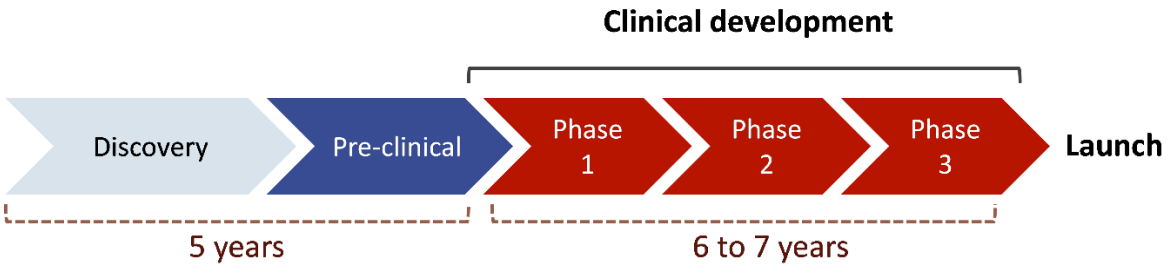
ii. Value chain



ASLAN has built a clinical stage portfolio of high value drugs by in-licensing global rights from global

pharmaceutical and biotechnology companies and by entering into early stage collaborations to support the future portfolio. ASLAN is then fully responsible for advancing the drugs through clinical development, manufacturing and commercialisation. During clinical development, ASLAN works with external partners, including contract research organisations and contract manufacturing organisations, to assist with clinical studies and manufacturing drug respectively. ASLAN plans to establish a targeted commercial organisation in the United States, China and other Asian markets, and may also establish collaborations with pharmaceutical companies to maximise the potential in other markets. Unlike a service organisation, ASLAN is fully responsible for manufacturing and development, and retains effective control of all the IP. Therefore, ASLAN will benefit from commercial success but will also bear the risk of clinical and commercial failure.

The development process of new drugs includes discovery, pre-clinical trials, IND, clinical trials, registration and market launch – the entire process takes approximately 10 to 15 years. Time and significant investments are required at each phase, with a multitude of skillsets required in different phases such as formulation and process development, animal pharmacology, pharmacokinetics, toxicology testing, and legal expertise. The success rates of projects or companies can be significantly raised by an experienced and seasoned management team. In summary, time, funding and talent are key elements to successful novel drug development.



The first 5 years are typically spent in Discovery & Pre-Clinical, where novel drugs are made and tested in various laboratory and animal models. After this, regulated pre-clinical animal studies are performed to establish the safety of the drug before entering clinical studies. The subsequent 6 to 7 years is spent in various phases of clinical development. Traditionally, this is broken into three phases:

A. phase 1 – to determine dose and safety;
B. phase 2 – to establish efficacy in patients; and
C. phase 3 – to test the drug against current standard of care

However, in recent years, particularly in oncology, there has been a wide variety of strategies. For instance, many drugs are tested in large phase 1 studies that both determine dose and establish efficacy. These drugs can then move directly to phase 3. Alternatively, a large phase 2 study may be sufficient for an approval, without the need to run a phase 3 study (though there will usually be a requirement to run a larger study after approval), particularly in a disease where there are no alternative treatments. For this reason, many refer to the final study before approval, whether it be a large phase 2 study or a phase 3 study, as a 'Pivotal study'.

Given the time and costs required to take a drug all the way to market, only large multinational pharmaceutical companies try to cover the entire process. Most small to mid-sized biotechnology companies will focus on one or possibly two areas, then partner with other companies to continue development. For example:

1) **Discovery-stage**: Companies have established a novel technology for discovering or manufacturing drugs and built an early stage portfolio. Typically, these companies will out-license their drugs towards the end of discovery or pre-clinical development.

2) **Development-stage**: Companies focus on clinical development and typically acquire or in-license drugs from discovery-stage companies to develop in phase 1, 2 and 3 clinical studies. Sometimes they will in-license from larger companies that have chosen to allocate their own resources on other projects. Often these companies will try to commercialise in smaller geographies / indications themselves but partner with other companies for larger geographies.

3) **Commercial-stage:** Companies focus on sales and marketing and will often acquire or in-license drugs from other development-stage companies.

Even though multinational pharmaceutical companies are able to cover all these areas, they supplement their own R&D efforts with in-licensing activities. It has been estimated that around 50% of the drugs sold by a multinational pharmaceutical company are in-licensed rather than discovered internally. As such, the idea of in-licensing and out-licensing is firmly established in the industry. This ensures that companies can focus on doing one thing well and a drug can be progressed through a series of high quality discovery, development and commercial partners, making R&D more efficient and often shortening development times.

Companies at all stages, including multinational pharmaceutical companies, will use external service providers to outsource clinical trial operations and manufacturing. Indeed, there has been a trend over the last 10 years to go 'asset-lite' – this means avoid building large inflexible manufacturing facilities and using a contract manufacturing or research organisation. In the US and Europe, the vast majority of biotechnology companies do not have their own manufacturing facilities and use clinical research organisations to help them run clinical trials.

Licensing partnerships are attractive as they provide early pre-sales revenues to the licensor but also share risk with the licensee. Rather than paying a simple acquisition fee, the payments are structured in the form of:

1) **Upfront payment**: Payment that is received during the completion of the out-licensing agreement;

2) **Milestone payments**: Payments that occur when the out-licensing company hits specific milestones. These are attached to specific events which de-risk the drug, including completion of phase 3, regulatory approval, launch of product and attainment of a certain sales volume. Different milestone payments are often attached to events in different geographic regions;

3) **Royalties**: Continual royalty payments, usually 10-25% of sales, for a late phase drug. These are often tiered, so that higher levels of sales attract higher royalties.

It should be noted that licensing out to a commercial partner typically results in up to two-thirds of the value of the drug being given to that partner. This is to compensate for the commercial investment and risk. As such, companies typically will not out-license global rights but will instead out-license only selected countries and retain selected geographies for themselves in order to preserve greater value. United States biotechs, for instance, will typically retain United States rights and out-license Europe and Asia rights.

iii. Development trends and competition

Our industry is intensely competitive and subject to rapid and significant technological change. While we believe that our knowledge, experience and scientific resources provide us with competitive advantages, we face substantial competition from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. Many of our competitors have significantly greater financial, technical and human resources. Small and early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. As a result, our competitors may discover, develop, license or commercialise products before or more successfully than we do.

We face competition with respect to our current product candidates, and will face competition with respect to future product candidates, from segments of the pharmaceutical, biotechnology and other related sectors, as well as from academic institutions.

The acquisition or licensing of pharmaceutical products is also very competitive. If we seek to acquire or license products, we will face substantial competition from a number of more established companies, some of which have acknowledged strategies to license or acquire products and many of which are bigger than us and have more institutional experience and greater cash flows than we have. These more established companies may have competitive advantages over us, as may other emerging companies taking similar or different approaches to product licenses or acquisitions. In addition, a number of established research-based pharmaceutical and biotechnology companies may acquire products in late stages of development to augment their internal product lines, which may provide those companies with an even greater competitive advantage.

If our product candidates are approved, they may compete with currently marketed drugs and therapies used for treatment of the same indications, and potentially with drug candidates currently in development. The key competitive factors affecting the success of any approved product include its efficacy, safety profile, price, method of administration and level of promotional activity.

Varlitinib

- There are no approved targeted therapies for biliary tract cancer; however, there are several targeted therapies currently in clinical development targeting specific subsets of biliary tract cancer, including *ivosidenib* being developed by Agios Pharmaceuticals, Inc., ARQ087 being developed by Arqule, Inc. and *lenvatinib* being developed by Eisai Inc.

ASLAN003

- We do not consider chemotherapy to be a competitor as we expect ASLAN003 to be used either in patients that are not eligible for chemotherapy or in combination with chemotherapy.

- *Enasidenib* was recently approved to treat adults with AML whose tumours have mutations in IDH2, which represents around 10-15% of AML patients. In the single-arm registration study, 40% of patients responded to *enasidenib*; however, differentiation syndrome, which can be fatal if not treated, occurred in 14% of patients.

- *Midostaurin* was also recently approved to treat newly diagnosed AML patients with a FLT3 mutation, which represents around 30% of AML patients.

- There are a large number of drugs currently in development for AML. Most of these target specific subsets of disease.

ASLAN004

- We are not aware of any other drugs targeting IL-13Rα1 and we believe our intellectual property would preclude such development.

- *Dupilumab* from Sanofi S.A. and Regeneron Pharmaceuticals, Inc. is approved to treat both moderate-to-severe atopic dermatitis and moderate-to-severe asthma.

- There are several IL-13 selective inhibitors in development, including *lebrikizumab* being developed by Dermira, Inc., and *tralokinumab* being developed by Leo Pharma A/S. Both of these drugs have recently failed in Phase 3 clinical trials in asthma, however they may be successful in other indications, such as atopic dermatitis.

c. Research and development

i. List of products in development

Our lead programme, *varlitinib*, is a highly potent, oral, reversible small molecule pan-HER inhibitor. Targeting individual members of the human epidermal growth factor receptor, or HER, family is a well-validated approach to cancer treatment. In some cancers, HER1-selective or HER2-selective agents, such as Herceptin, appear to be effective for a large number of patients, however, in other cancers such as gastric cancer, only a small number of patients have tumours driven by a single receptor, such as HER2. We believe there are larger subsets of patients with cancers driven by a combination of HER1, HER2, HER3 and HER4. We have demonstrated that *varlitinib* has activity in biliary tract cancer, where HER family expression is known to be high, as well as in HER2-positive breast cancer and in subsets of colorectal cancer. Following discussions with the United States Food and Drug Administration, or US FDA, and other regulators, we have initiated a global pivotal clinical trial of *varlitinib* for biliary tract cancer. We believe *varlitinib* has the potential to be the first targeted therapy approved for biliary tract cancer.

In addition to *varlitinib*, we have several other product candidates in development. We are developing ASLAN003, an inhibitor of human dihydroorotate dehydrogenase, or DHODH, in AML and are exploring development in other solid tumours where this mechanism has been shown to be relevant. ASLAN003 has the potential to induce differentiation in blast cells and could be applicable in a broad range of AML patients.

ASLAN004 is an IL-4/IL-13 receptor antibody, which we believe has the potential to be a best-in-class therapy for severe atopic dermatitis and asthma, due to greater selectivity in binding target cells via the IL-13 receptor. We have initiated a Phase 1 clinical trial investigating ASLAN004 as a therapeutic antibody for atopic dermatitis. The single ascending dose study has been completed in the first half of 2019.

ASLAN005 is an antibody in preclinical development targeting recepteur d'origine nantais, or RON, an immune checkpoint inhibitor.

ii. Research and development expenditure

The largest component of our operating expenses since inception has been research and development activities, including the preclinical and clinical development of our product candidates. Research and development costs are expensed as incurred. Our research and development expenses primarily consist of:

- costs incurred under agreements with contract research organisations and investigative sites that conduct preclinical studies and clinical trials;
- costs related to manufacturing pharmaceutical active ingredients and product candidates for preclinical studies and clinical trials;
- salaries and personnel-related costs, including bonuses, related benefits and share-based compensation expense for our scientific personnel performing or managing out-sourced research and development activities;
- fees paid to consultants and other third parties who support our product candidate development;
- other costs incurred in seeking regulatory approval of our product candidates; and

- allocated facility-related costs and overhead.

Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. Accordingly, we expect research and development costs to increase significantly for the foreseeable future as our programmes progress. However, we do not believe that it is possible at this time accurately to project total programme-specific expenses through commercialisation. Our expenditures on current and future preclinical and clinical development programmes are subject to numerous uncertainties in timing and cost to completion. In addition, we may enter into additional collaboration arrangements for our product candidates which could affect our development plans or capital requirements.

We allocate direct costs to product candidates when they enter into clinical development. For product candidates in clinical development, we allocate development and manufacturing costs to our product candidates on a programme-specific basis, and we include these costs in the programme-specific expenses. Our direct research and development expenses tracked by programme consist primarily of external costs, such as fees paid to outside consultants, CROs, and CMOs in connection with our preclinical development, manufacturing and clinical development activities. We do not allocate employee costs or facility expenses, including other indirect costs, to specific programmes because these costs are deployed across multiple programmes and, as such, are not separately presented. We use internal resources primarily to oversee research and discovery as well as for managing our preclinical development, process development, manufacturing and clinical development activities. These employees work across multiple programmes and, therefore, we do not track their costs by programme.

The table below summarizes our research and development expenses incurred by programme for the periods presented:

	Year ended December 31,	
	2017	2018
	(US$ thousands)	
Direct research and development expense by product:		
Varlitinib	$19,578	$17,474
ASLAN003	778	1,623
ASLAN004	3,265	5,897
Other	1,368	2,241
Indirect research and development expense:		
Employee benefit and travel expense	4,381	4,320
Other indirect research and development expense	1,011	279
Total research and development expense	$ 30,381	$ 31,834

d. Short and long-term business plans

Our goal is to become a leader in the development and commercialisation of novel therapeutics for global markets, targeting diseases that are both highly prevalent in Asia and orphan indications in the United States and Europe. We plan to leverage our international presence, broad experience in Asia, extensive knowledge of our target diseases and deep local relationships to expedite drug development.

To achieve our goal, we intend to pursue the following strategy:

- Rapidly advance *varlitinib* in biliary tract cancer. We are conducting a global pivotal clinical trial of *varlitinib*, which we refer to as TREatmEnT OPPortunity, or TREETOPP. Based on guidance from the US FDA, we intend to seek accelerated approval for this product candidate if we see an increase in

response rate over the current standard of care.

- Develop ASLAN003 in AML. We are conducting a Phase 2 clinical trial in Asia to develop ASLAN003 in AML. We reported interim data from the first 14 patients in December 2018 and we expect to report data from the dose optimisation portion in the first half of 2019. Our plan is to meet with the regulatory authorities to discuss expedited regulatory strategies, such as accelerated approval. We are also conducting preclinical studies in other types of cancer where DHODH may be relevant, such as myelodysplastic syndrome, TNBC and HCC.

- Build a broad immune-oncology portfolio. We are using antibodies and antibody fragments to inhibit specific immune checkpoints, such as RON, a receptor expressed on the macrophage, the inhibition of which could enhance T-cell activity. We intend to initially pursue Asia prevalent tumour indications with this immune-oncology portfolio.

- Establish a targeted commercial organisation in the United States, China and other Asian markets. We build sales, marketing, managerial and other non-technical capabilities or make arrangements with third parties to perform these services in anticipation of the potential regulatory approval of product candidates. We may also establish collaborations with pharmaceutical companies to maximize the potential of our products in other markets.

- Develop ASLAN004 in severe atopic dermatitis and asthma. We are conducting a Phase 1 clinical trial to develop ASLAN004 as a treatment for atopic dermatitis. We intend to explore the use of ASLAN004 as a treatment for other atopic diseases, such as asthma, in the future.

- Selectively in-license or acquire additional oncology product candidates. We plan to utilize our global relationships and business development experience to identify and evaluate new product opportunities based on our understanding of Asia prevalent cancers and the targets and pathways that drive them.

2. Market overview

a. Market analysis

i. Market opportunity of targeted indications

1) Biliary tract cancer

Annually, there are approximately 200,000 new cases of biliary tract cancer in Asia, of which up to 145,000 are in China, and approximately 12,600 new cases in the US. Biliary tract cancer has a five-year survival rate of less than 10% and there has been little improvement in prognosis or treatment outcomes over the last two decades.

Biliary tract cancer consists of intra-hepatic and extra-hepatic cholangiocarcinoma (cancer of the bile duct), cancer of the gall bladder and papilla of Vater (the final portion of the bile duct emptying into the small bowel). Though biliary tract cancer is considered to be a subset of liver cancer, therapies approved for liver cancer are not approved for biliary tract cancer. There are no therapies approved for biliary tract cancer in the United States.

Approximately 35% of patients undergo surgical resection, but recurrence is common, with the disease returning in 50% to 60% of patients. Late-stage patients typically receive chemotherapy. In the first-line setting, the doublet combination of *gemcitabine* and *cisplatin* is commonly used and has demonstrated a response rate of 26% and overall survival of 11.7 months.

Specific pathways driving biliary tract cancer have not been identified, however recent data from Japan and China show that approximately 70% of biliary tract cancer tumours exhibit HER family overexpression, with HER4 expressed most widely.

2) Acute myeloid leukemia

AML patients that have failed on standard of care chemotherapy in AML or do not respond to chemotherapy are termed relapsed/refractory, and represent the majority of the total AML population. In 2016, the annual incidence of relapsed/refractory patients is approximately 13,000 patients in the United States, 8,000 in Europe, 5,000 in Japan and 24,000 in China. Survival is age-dependent and survival rates are extremely poor for the elderly. The five-year relative survival rate for AML patients aged 19 years and below is 65%, but declines to 50% for patients aged 20 to 49 years, and the survival rate for patients aged 65 years or older is only 6%.

The first-line treatment for patients with AML is a combination of aggressive chemotherapies. However, elderly patients with AML typically are ineligible for aggressive treatment regiments due to the significant toxicity associated with these therapies. The survival of these patients is usually less than one year. Over the past two decades, many compounds have been evaluated in AML patients, however, only three targeted drugs have been approved. Furthermore, these drugs target relatively small subsets of patients, leaving a significant unmet need.

3) Severe atopic dermatitis

Atopic dermatitis is the most common dermatological disease, affecting over 200 million patients worldwide, characterized by red inflamed skin and severe daytime and night-time itching, which can severely impact patients' quality of life. Up to one-third of adult atopic dermatitis patients are considered moderate-to-severe, for which currently available therapeutics are limited and management is challenging in the majority of cases.

Treatment options have focused on topical therapies. In December 2016, the US FDA granted approval for *Eucrisa* (developed by Pfizer Inc.), a topical treatment for mild to moderate atopic dermatitis. More recently in March 2017, the US FDA granted approval for *dupilumab* (developed by Sanofi S.A. and Regeneron Pharmaceuticals, Inc.) for adults with moderate-to-severe atopic dermatitis.

4) Asthma

Asthma affects approximately 300 million patients worldwide. Chronic inflammation of the airway, combined with bronchial hyper-reactivity causes shortness of breath, wheezing and coughing, potentially leading to exacerbations that may result in hospitalization or death. Over 4.5 million severe asthmatics have symptoms which cannot be controlled with conventional therapies, such as bronchodilators or inhaled corticosteroids.

Xolair (anti-IgE) and *Nucala* (anti-IL5) are the two leading biological therapies by sales. Novel therapies like *dupilumab* are anticipated to compete with biological therapies and inhaled therapies.

ii. Competitive niche

1) Varlitinib

We believe that *varlitinib* has the potential to be the first targeted therapy approved for biliary tract cancer. We believe *varlitinib* has the following potential competitive advantages:

- Potent inhibition of HER1, HER2 and HER4 potentially enables it to be used in a broader range of tumours than HER1-selective and HER2-selective agents. Drugs such as Herceptin only target HER2, which is only effective in tumours driven specifically by HER2. We believe there are other patients whose tumours are driven by different combinations of HER1, HER2, HER3 and HER4, that may respond to pan-HER inhibitors.

- HER4 inhibition may lead to a more durable response. The upregulation of HER4 has been shown to act as an escape mechanism in breast cancer cell lines treated with *lapatinib*, which has no activity against HER4, leading to resistance. These cell lines remain sensitive to *varlitinib*, suggesting that *varlitinib* may lead to a more durable response. We believe that this response may also be seen in other tumour types.

- Low levels of gastro-intestinal (GI) toxicity in comparison to other pan-HER inhibitors. *Varlitinib* has demonstrated a low level of GI toxicity, which we believe is because it is a reversible inhibitor. Other pan-HER inhibitors are irreversible inhibitors and patients in those trials have exhibited as much as 40% grades 3/4 diarrhoea.

- Well-tolerated in conjunction with different chemotherapy regimens. *Varlitinib* has been tested in combination with seven different chemotherapy regimens including doublet chemotherapy and doses have been established for all of these regimens. We believe this is important as chemotherapy protocols used for diseases like biliary tract cancer can vary from country to country.

2) ASLAN003

We believe that ASLAN003 has the potential to be a first-in-class DHODH inhibitor in oncology due to the following competitive advantages:

- Potent inhibition of DHODH. The binding affinity of ASLAN003 to DHODH is up to two orders of magnitude stronger than first generation DHODH inhibitors, such as *leflunomide* and *teriflunomide*. This highly specific and potent inhibition of human DHODH has the potential to reach the levels required to be efficacious in oncology.

- Lack of toxicities associated with first generation inhibitors and other novel AML therapies. Existing DHODH inhibitors, such as *leflunomide* and *teriflunomide*, are associated with significant liver toxicity. Both of these drugs take between three and four weeks to build to therapeutic levels and two years to clear completely after dosing is stopped. In contrast, ASLAN003 reaches full exposure in 24 hours with a half-life of 18 hours allowing rapid clearance following cessation of treatment. Furthermore, recently launched AML therapies, such as *midostaurin* and *enasidenib*, are associated with significant hematological and liver toxicities. Many AML patients are elderly or cannot otherwise tolerate significant toxicities. As a result, we believe the safety profile of ASLAN003 could allow its use in these patients.

- Enables AML blast cells to differentiate into granulocytes and may be applicable in a broad range of AML patients. ASLAN003 has demonstrated the ability to differentiate AML blast cells into granulocytes in a variety of AML cell lines that do not respond to ATRA. ASLAN003 may have applicability in patients that do not respond to ATRA, which represent approximately 85% of AML patients.

- Evidence of activity in TNBC. Recent data suggest that DHODH inhibition is active in animal models of TNBC, an aggressive type of breast cancer with few effective treatment options.

3) ASLAN004

We believe that ASLAN004 has the potential to be a best-in-class therapy:

- Validated mechanism with the potential for greater efficacy than IL-13 selective and IL-4 selective inhibitors. IL-13 selective, such as *lebrikizumab and tralokinumab*, have shown mixed efficacy in treating allergic inflammation. We believe that agents that can block the activity of both IL-4 and IL-13 will be more efficacious as redundancy in signaling is removed by blocking Type II receptor signaling. *Dupilumab* was shown to be effective in treating moderate-to-severe atopic dermatitis. ASLAN004 and *dupilumab* share the same mechanism of action through blocking IL-4 and IL-13 signaling through the Type II receptor.

- Potential for less frequent dosing. *Dupilumab* requires significantly higher steady state concentrations than ASLAN004 for full target inhibition, which may allow for less frequent dosing. *Dupilumab* is dosed once every two weeks via subcutaneous injection. ASLAN004 may offer the potential for monthly dosing and this will be fully investigated in clinical development. A reduced injection frequency would provide patients with greater convenience.

- Potential for improved safety profile. ASLAN004 targets the IL-13Rα1 subunit of the Type II receptor, whereas *dupilumab* binds to IL-4Rα. As a result, both ASLAN004 and *dupilumab* block the Type II receptor, which contains IL-4Rα and IL-13Rα1, however only *dupilumab* blocks the Type I receptor, which contains IL-4Rα only, and is expressed on naïve T-cells and B-cells. In published clinical studies in atopic dermatitis, *dupilumab* demonstrated severe, persistent conjunctivitis in 5-28% of patients, requiring topical ocular treatment with tacrolimus or steroids. In contrast, *lebrikizumab* targets only the IL-13 ligand and shows a far lower incidence of conjunctivitis in atopic dermatitis patients, suggesting that inhibition of the Type I receptor, rather than the Type II receptor, is responsible for driving conjunctivitis.

iii. Positive factors for development

1) The prevalence and etiology of certain cancers in Asia differ from the United States and Europe

While certain cancers, such as breast and lung cancer, are common worldwide, other cancers, such as gastric and biliary tract cancer, are many times more prevalent in Asia than in the United States and Europe. Causes for these differences are believed to include both genetic and environmental factors, including diet, levels of socio-economic development, endemic infections and medical practice. For example, the higher prevalence of *Helicobacter pylori* infections in certain Asian countries including Japan, China and South Korea, as well as the consumption of salty or spicy foods, are believed to be responsible for the higher levels of gastric cancer in these countries. Northern Thailand has the highest incidence of biliary tract cancer globally, where it affects more patients than any other cancer, due to the consumption of a local fish that often contains parasites that reside in the bile duct of its human host. Globally, HCC is the sixth most common cancer and has one of the highest cancer mortality rates. Prevalence in Asia is higher, with China accounting for over 50% of all HCC cases reported worldwide, and is believed to be driven by the higher prevalence of chronic Hepatitis B and C infection.

Cancer	Prevalence		Prevalence rate (per 100,000)		Difference in prevalence rates
	Asia-Pacific[3]	US	Asia-Pacific[3]	US	Asia-Pacific / US
Gastric cancer[1]	1,027,691	32,076	70.9	12.7	5.6x
Nasopharyngeal cancer[1]	112,790	6,072	7.8	2.4	3.2x
Biliary tract cancer[2]	200,968	12,601	11.0	3.9	2.8x
Liver cancer[1]	422,635	27,479	29.1	10.9	2.7x

Sources:

(1) As of 2012, based on Globocan 2012, Bray et al 2013 Estimates of global cancer prevalence for 27 sites in the adult population in 2008.

(2) As of 2016, based on Edison Investment Research "Novel treatments for worldwide unmet needs" dated November 8 2017, Randi et al 2008 Epidemiology of biliary tract cancers: an update, Bridgewater et al 2014 Guidelines for the diagnosis and management of intrahepatic cholangiocarcinoma.

(3) Asia-Pacific is defined as China, Japan, Philippines, Singapore, South Korea, Thailand and Vietnam.

2) The quality of clinical centres and translational medicine in Asia is high

Following investments made over the last two decades, countries such as Singapore and South Korea have emerged as centres of excellence in translational medicine and innovative clinical development. The growth of investments in medical research in Asia has increased significantly, with such investments increasing from US$2.6 billion in 2004 to US$9.7 billion in 2012. Asia's share of global research funding increased from 13% in 2004 to 20% in 2011. In addition, recent data published by the US FDA for the period from 2000 to 2015 shows that countries across Asia have been contributing to global studies for decades and have reached the level of quality demanded by international regulators based on findings during regulatory inspections.

Many of the leading research centres and key opinion leaders for Asia prevalent cancers are based in Asia. Key immuno-oncology studies for Asia prevalent cancers have also been led by Asia investigators and led from Asian clinical centres:

Research group	Location	Therapy area	Brief description
The Cancer Therapeutics Research Group	Singapore	Asia prevalent cancers	• Leading group for evaluating new strategies for Asia prevalent cancers
Asia Pacific Hepatocellular Carcinoma Trials Group	Singapore	HCC	• Collaborative research group formed by clinicians from major medical centres in Asia
International Cancer Genome Consortium	Japan and Singapore	Biliary tract cancer	• Coordinates international research projects across over 50 different cancer types • Represents the leading centres and principal investors for Asia prevalent cancers
	China and Japan	Gastric cancer	
	China	Nasopharyngeal cancer	
Professor Yung-Jue Bang, Seoul National University Hospital	South Korea	Gastric cancer	• Lead investigator on Herceptin gastric cancer Phase 3 clinical trial and *pembrolizumab* gastric cancer development
Professor Yoon-Koo Kang, University of Ulsan College of Medicine, Seoul	South Korea	Gastric cancer	• Lead investigator on nivolumab gastric cancer Phase 3 clinical trial

3) The regulatory environment in Asia is maturing quickly

Major Asian regulators such as the Pharmaceuticals and Medical Devices Agency, or the PMDA, in Japan and National Medical Products Administration of China (NMPA, formerly known as CFDA), have historically been viewed as being generally more conservative than their United States and European counterparts. However, regulators in Asia have recently become more progressive in their approach towards drug development. For example, in 2014, Japan was first to approve the novel PD1 inhibitor *nivolumab* for unresectable melanoma and, in 2013, Taiwan was first to approve *afatinib* for non-small cell lung cancer, in each case ahead of approval by United States and European regulators. In 2015, the PMDA introduced its first accelerated regulatory pathway, the sakigake designation scheme, on a pilot basis, potentially allowing innovative drugs targeting diseases with high unmet need a faster route to market and a longer marketing exclusivity period. In 2017, the State Council in China introduced a series of reforms allowing imported drugs to be approved using foreign data, which should dramatically shorten approval timelines when implemented by the NMPA.

4) Conducting clinical trials in Asia can accelerate drug development

By working with some of the leading centres in Asia, the recruitment rate for clinical trials can be significantly increased. For example, compared to recruitment rates in the United States, we estimate that the recruitment rate for patients for trials involving biliary tract cancer in Japan is approximately double and recruitment rates for gastric cancer in South Korea and Taiwan are approximately two to three times higher. Even for cancer types where disease prevalence is no higher in Asia than in the United States and Europe, often patients in Asia can be more easily recruited for clinical trials because there are fewer competing studies and large urban centres allow Asia-based clinical institutions to access a large patient pool.

iv. Risks and mitigation

1) Novel drug development takes considerable time, with capital required to run clinical studies and manufacture drugs.

Mitigation:

A. No in-house research facility: in-house research facilities can be very costly to run, both due to large capital expenditures for the latest equipment and ongoing research personnel costs. ASLAN either acquires its drug candidates through licensing or develops a candidate through a strategic partnership. ASLAN's research costs are, therefore, relatively low, allowing funds to be focused on the value creation component of clinical development.

B. No in-house manufacturing facility: similarly, building a manufacturing facility can be a costly endeavour. ASLAN outsources its manufacturing, paying only for what it needs, and benefiting from the efficiencies of a large manufacturing site.

C. Efficient model: in running clinical trials, ASLAN is able to generate efficiencies by using sites that can recruit patients easily and by negotiating favourable terms with clinical centres. By using contract research organisations for larger studies, ASLAN is able to manage a large number of studies with a relatively small team. This further lowers operating costs.

D. Selected patient populations: when targeting a specific set of patients defined by biomarkers, the clinical trials tend to be smaller.

E. Focus on diseases that are orphan in the West: many of the diseases we are developing for are relatively rare in the United States and Europe, and are considered 'orphan diseases'. Typically, developing for these disease can be much faster and approvals can be sought with more limited sets of data.

F. Conducting development in Asia: for diseases such as gastric cancer and BTC, prevalence rates are much higher in Asia. This means that patients can be recruited quickly, leading to shorter and less costly clinical studies.

G. Strong investor base: ASLAN has a strong investor base comprising of global institutional investors. These investors have made significant investments to date but have reserved a larger amount of capital for future investments. They will invest further into ASLAN if required.

H. Raising capital ahead of time: ASLAN has been very efficient in its use of capital and has financed ahead of when capital is required.

I. Out-licensing in selected markets removes risk and generates early revenues: we have out-licensed the exclusive commercialisation rights of *varlitinib* and ASLAN003 in South Korea to BioGenetics Co Ltd and global rights of ASLAN002 to BMS, providing early revenues and removing some risk from these projects. We are planning to find partners in other markets, such as Japan and Europe.

2) Novel drug development is risky - clinical trials are unpredictable and not all of drugs may be successfully commercialised.

Mitigation:

A. High quality compound selection: ASLAN reviews hundreds of compounds, from which only a few are selected for in-licensing, ensuring that only the best compounds are selected.

B. Early and frequent dialogues with regulatory authorities: Before we start a major clinical study, we first assess what will be required for an approval in terms of endpoints, comparators and sample size. We consult extensively with regulators to seek their views on key questions. We have, in the past, met with the PMDA in Japan, the KFDA, TFDA, HSA (Singapore) and the US FDA.

C. Collaborate with leading global CROs and CMOs: ASLAN works with world leading companies such as Quintiles, ScinoPharm, WuXi AppTec, JHL, INC and Shasun.

D. Focus on selected patient populations: developing a drug for a target group of patients defined by biomarkers has a higher success rate than developing drugs for all patients.

E. Diverse risk-balanced portfolio: Developing drugs is inherently a risky process. Not every drug we develop will make it to market. We have assembled a portfolio of four compounds and anticipate in-licensing more in the near future. Many companies focus on just a single late stage asset. We believe this is inherently a dangerous model, with the Company's future linked to a single compound. For ASLAN, we have diversified this risk. If a compound fails, we will still have a strong set of remaining projects and can look to in-license a replacement project from our steady flow of new prospective compounds.

3) ASLAN does not have its own in-house research team. It is dependent on licensing drugs from other companies.

   Mitigation:

   A. Strong track record of in-licensing: To date, we have in-licensed five high value drugs and are in the process of in-licensing further compounds.

   B. Developed strategic partnerships to build proprietary portfolio: Based on our knowledge of Asia-prevalent diseases, we have established strategic relationships with institutions such as A*STAR and NTU to create novel candidate drugs. Most recently, our collaboration with NTU has the potential to generate three new drugs.

   C. Rich pipeline of opportunities to choose from: Because of our high profile and strong relationships, we have built a rich pipeline of opportunities we can choose from to in-license. Every month, we receive additional projects to review from companies looking to out-license or otherwise partner their compounds.

4) Failure to out-license drugs and generate short term revenues

   Mitigation:

   A. Established track record of out-licensing and revenue generation: we have out-licensed the exclusive commercialisation rights for *varlitinib* and ASLAN003 in South Korea to BioGenetics Co Ltd and global rights of ASLAN002 to BMS, providing early revenues and removing some risk from the projects. We are planning to find partners in other markets, such as Japan and Europe.

   B. Experience and relationships in industry: ASLAN's team have deep relationships in the industry. Through these, we have been able to connect to key decision makers at global companies. Our business development team have worked on numerous global and local deals in the past, so can leverage this experience to ensure that we can successfully license our compounds out.

5) Clinical trials in some indications, such as breast cancer, can be lengthy and costly. We may need additional capital to complete those studies without a partner for *varlitinib*.

   Mitigation:

   A. We expect to out-license *varlitinib* and have our partner fully take on development in breast cancer. We have set aside enough capital to conduct currently ongoing studies, of which the results from these studies can potentially help to secure such out-licensing transactions.

   B. We have a strong cash position and can fund all of our committed trials. We prioritise indications and will not initiate trials if there is insufficient capital.

b. Usage and manufacturing process

We do not have internal manufacturing capabilities for small molecules or biological drugs and we do not intend to build or acquire infrastructure for manufacturing our drugs for clinical or commercial supply. All of our clinical supplies are manufactured in accordance with cGMP using high quality contract manufacturing organisations based in the United States, Europe and Asia.

Varlitinib

Varlitinib drug substance is manufactured in accordance with cGMP by Sterling Pharma Solutions Limited in the United Kingdom. We have manufactured at the 200kg scale and are currently in process validation at the 350kg scale. *Varlitinib* drug product (tablet) is manufactured in accordance with cGMP by PCI Pharma Services in the United Kingdom. Both drug substance and drug product can be scaled to over four tons per year. A second site manufacture for *varlitinib* in accordance with cGMP has been established at WuXi Apptec Co., Ltd., or WuXi, in China for both drug substance and drug product. Currently, WuXi has successfully manufactured at the 30kg scale.

ASLAN003

ASLAN003 drug substance has been manufactured by Sigma-Aldrich Company Ltd in Switzerland at the 30kg scale in accordance with cGMP. ASLAN003 drug product in the form of capsules has been manufactured by WuXi in China in accordance with cGMP. We expect to develop an ASLAN003 tablet in 2019 and plan to conduct further scale up and process optimization of both drug substance and drug product.

ASLAN004

Manufacturing cell lines for ASLAN004 were created by Selexis SA in Switzerland. Process development for ASLAN004 drug substance has been successful and was developed by JHL Biotech, Inc. Manufacture at 500 liter scale for both non-GMP (for toxicology) and cGMP compliant (for clinical trials) has been completed.

c. Supply of main raw materials: This is not applicable as all of the drugs are in development and have not yet been launched.

d. List of major vendors and customers

   i. Names, amount purchased and percentages of vendors exceeding 10% of the total amount purchased. Please elaborate on any changes: This is not applicable to the Company as there has been no significant purchases.

   ii. List of customers, amount purchased and percentage of customers exceeding 10% of total sales. Please elaborate on any changes: This is not applicable as all of the drugs are in development and have not yet been launched.

e. Production volume and amounts over the past two years: This is not applicable as all of the drugs are in development and have not yet been launched.

f. Sales and amounts over the past two years: This is not applicable as all of the drugs are in development and have not yet been launched.

3. Employees over the past 3 years

a. Breakdown of employees by age, years of service and qualifications over the past 2 years and during the current fiscal year up to the date of publication

Year		2016	2017	2018
Employee numbers	Management team	6	6	7
	Manager and above	20	25	32
	Others	12	16	17
	Total	38	47	56
Average age		41	37	37
Average years of service (years)		1.86	2.23	2.21
Academic background (%)	PhD	18%	20%	20%
	Masters	50%	38%	30%
	Bachelors	32%	38%	45%
	High school	0%	4%	5%
	Under high school	0%	0%	0%

b. Turnover of management team, R&D personnel and other employees

Fiscal year	No. of employees (period)		Turnover			Total	No. of employees		Avg years of service
	Previous	New hires	Quit	Terminated	Retired		R&D	Others	
2014	10	12	3	0	0	19	7	12	1.98
2015	19	12	6	0	0	25	13	12	2.11
2016	25	19	4	2	0	38	19	19	1.86
2017	38	20	10	1	0	47	23	24	2.23
2018	47	17	11	0	0	56	28	28	2.58

4. Environmental protection spending

a. The Company is required, by law, to apply for permission to install pollution prevention facilities and/or generate pollution emissions. It may incur certain costs or set up dedicated facilities: The Company does not own any factories. This is, therefore, not applicable.

b. Key investments in pollution prevention equipment and facilities, in addition to how these are being utilized: None.

c. Please elaborate on detailed improvements the Company has made in environmental pollution over the last 2 years and as of the date of the report. Details on any environmental disputes should be provided: None.

d. Please provide details on damages (including compensation) and penalties. The Company should also disclose mitigants and improvements, in addition to forecasted spending – these should include estimates on the damages, penalties and compensation. Please provide an explanation if the estimated amounts are not available: None.

e. Please elaborate on the impact on existing pollution and any improvements to the Company's profit, competitive position and capital expenditure. Please also provide estimates on critical environmental protection spending for the next two years: Not applicable.

5. Labour relations

a. Please list out all employee welfare, education, and training and retirement regulations. The status of any measures being implemented should also be provided, in addition to agreements between employers and employees to protect employee rights.

i. Employee welfare

Besides offering competitive compensation in the form of salaries, annual bonuses and equity-linked awards, employees are also entitled to medical insurance, travel insurance and the opportunity to purchase equity. In order to enhance employee perspective and work efficiency.

ASLAN offers personnel the opportunity to participate in various training / learning workshops.

ii. Education and training

We identify the training needs of individual employees during an annual performance review session. Personal development programmes are established, taking into consideration working requirements, industry experience and qualifications. The line manager and employee will agree, with some assistance from Human Resources, on the suitable methods of delivery. All staff training is approved by management.

iii. Retirement policies

ASLAN's retirement policies adhere to local laws of the country where the employee is situated.

iv. Agreements between employers and employees to protect employee rights

The Company has set the Labour-Management Meeting quarterly according to Taiwan Labour Standard Act and Regulations for Implementing Labour-Management Meeting. All employee can express opinion to labour representative and communicate to the management team.

The Company value feedback from employees, and maintain an open and approachable culture. Suggestions and feedback can be communicated to line managers in meetings and via e-mail. We have not had any labour disputes.

b. For the past two years and as of the date of the report, please elaborate on any damages from labour disputes. Existing and forecasted monetary losses should also be mentioned.

All provisions and measures pertaining to labour are in-line with related laws and regulations, and have been implemented. There have not been any labour disputes.

6. Material agreements

Type	Party	Start / end	Main content	Limitations
Financing	Economic Development Board, EDB	27 Apr 2011; Amendment dated 13 May 2013 Supported period from 24 Feb 2011 to 23 Feb 2016	ASLAN Singapore has obtained an EDB grant subject to terms and conditions described in the letter, and a portion of the grant was provided upfront. The full grant amount with an interest shall be returned to EDB, latest upon any project achieving phase 3 approval	The terms and conditions of the Grant shall kept confidential by the Company and shall be disclosed to an employee of the Company only to the extent that the disclosure is necessary for said employee's performance of his duties Said information shall not be disclosed to any third parties, including but not limited to the general public and the press, except with the prior written approval of EDB
Licensing (ASLAN001)	ASLAN Pharmaceuticals Pte. Ltd. and Array Biopharma	Initially executed on 12 Jul 2011 New Agreement executed on 3 Jan 2018	ASLAN Singapore entered into a new license agreement with Array pursuant to which it obtained an exclusive, worldwide license to develop, manufacture and commercialize ASLAN001 (*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, ASLAN Singapore agreed to use commercially reasonable efforts to obtain	ASLAN Singapore is exclusively responsible for all pre-clinical and clinical development, regulatory, manufacturing and commercialisation activities for products. Except to the extent expressly authorised by this Agreement or otherwise agreed in writing, the Parties agree that the receiving Party shall keep confidential and shall not publish or otherwise disclose or use

			approval by the FDA or the applicable health regulatory authority and commercialize *varlitinib*. In consideration of the rights granted to ASLAN Singapore under the agreement, ASLAN Singapore made an initial upfront payment to Array of US$12 million and an additional upfront payment of US$11 million in June 2018. In addition, ASLAN Singapore 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. ASLAN Singapore is also required to pay Array tiered royalties in the low tens on net sales of *varlitinib*. ASLAN Singapore's 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. If within two years of the date of the new license agreement ASLAN Singapore sublicenses *varlitinib* and is paid an upfront payment, Array will further be 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, it will only be required to share with Array one-half of the amount actually received by it 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 ASLAN Singapore 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 ASLAN Singapore a perpetual, royalty-free, non-terminable, non-revocable, non-exclusive license to exploit certain know-how in connection with the development, manufacturing and/or commercialisation 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. ASLAN Singapore may also terminate the agreement without cause at any time upon 180 days advance notice to Array.	for any purpose other than as provided for in this Agreement any confidential and proprietary information and materials furnished to it by the other Party pursuant to this Agreement or any information developed during the term of this Agreement.
Licensing (ASLAN001)	ASLAN Pharmaceuticals Pte. Ltd. and BioGenetics Co Ltd	27 Feb 2019	On February 27, 2019, we entered into a collaboration and license agreement with BioGenetics pursuant to which we granted BioGenetics the exclusive right to commercialize, and if agreed, manufacture, *varlitinib* for the treatment of all indications in South Korea. In consideration of the rights granted to BioGenetics under the agreement, we received an upfront payment of $2 million from BioGenetics and are eligible to receive up to $11 million in sales and development milestones (the threshold for the sales milestones being subsequently amended by the ASLAN003 license summarized below). We are also eligible to receive tiered double-digit royalties on net sales up to a percentage within the mid-twenties. BioGenetics will be responsible for obtaining initial and all subsequent regulatory approvals of *varlitinib* in South Korea. We may provide clinical drug supplies to BioGenetics required for regulatory filings and for commercialization of products, pursuant to a separate manufacturing and supply agreement which the parties shall use commercially reasonable efforts to enter into no later than June 30, 2020.	ASLAN is subject to a confidentiality clause for the term of the agreement and after the termination of the agreement. The Parties agree to discuss how to proceed if certain specified events affecting commercial viability on the current terms, apply.

			During the license period and for one year thereafter, neither BioGenetics, nor any of its affiliates, will participate in or fund, directly or indirectly, the development, manufacture or commercialization of a product which competes with *varlitinib*. The license period commences on the effective date of the agreement and, unless terminated earlier pursuant to the terms of the agreement, or is mutually agreed to be extended, expires on the tenth anniversary of first commercial sale, subject to a right of automatic renewal for a further year upon ether party's notice. Either party may terminate the agreement in the event of material breach by, or insolvency of, the other party, or in the event of a material safety risk associated with the product. On any termination of the agreement, the license granted to BioGenetics will terminate, subject to certain transitional provisions.	
Licensing (ASLAN002)	ASLAN Pharmaceuticals Pte. Ltd. and BMS	2 Nov 2011	Under the licensing agreement, ASLAN Singapore received exclusive rights to develop and commercialise BMS-777607 in China, Australia, Korea, Taiwan and other selected Asian countries while Bristol-Myers Squibb retains exclusive rights in the rest of the world. ASLAN Singapore had the right to run and fund development of BMS-777607 under a pre-agreed development program initially targeting gastric cancer and lung cancer. In July 2016, BMS exercised a buy-back option and paid US$ 10 million to ASLAN Singapore as an upfront. ASLAN Singapore is eligible for over further US$ 50million in milestones and royalties on global sales	• BMS keeps rights to develop and commercialise in BMS territory which includes all countries other than partner territory. • Throughout the development of ASLAN002, BMS had the option to elect BMS development continuation where BMS would resume the rights to develop and commercialise product worldwide (or in BMS territory plus). This has been exercised. Each Party agrees that, for so long as this Agreement is in effect and for a period of seven (7) years thereafter, a Party receiving or possessing Confidential Information of the other Party (or that has received any such Confidential Information from the other Party prior to the Effective Date) shall, and shall cause its employees, representatives, Affiliates, investors, consultants, Approved Contractors, agents and Sublicensees who have a need to know such Confidential Information in order to perform its obligations and exercise its rights under this Agreement.
Licensing (ASLAN003)	ASLAN Pharmaceuticals Pte. Ltd. and Almirall	Originally executed on 16 May 2012 New amended agreement executed on 21 Dec 2015 Further amended 16 March 2018	On May 16, 2012, ASLAN Singapore entered into a development and licence agreement with Almirall, pursuant to which ASLAN Singapore obtained an exclusive, worldwide licence to a DHODH inhibitor, LAS186323 (ASLAN003). On December 21, 2015, ASLAN Singapore entered into an amended development and licence agreement with Almirall which replaced the previous agreement, further amended on 16 March, 2018. Under the agreement as so amended, ASLAN Singapore obtained an expanded exclusive, worldwide licence to develop, manufacture and commercialise ASLAN003 products for all human diseases, excluding topically-administered products embodying the compound for keratinocyte hyperproliferative disorders, and certain non-melanoma skin cancers, collectively, KHD/NMSC products. ASLAN Singapore has the right to sublicense its rights under the agreement. If Almirall wishes to use a third party to develop KHD/NMSC products, ASLAN Singapore has a right of first negotiation to obtain a licence from Almirall to carry out those developments. ASLAN Singapore is obligated to use commercially reasonable efforts to develop ASLAN003 products in accordance with the development plan, and to commercialise ASLAN003 products.	ASLAN may not develop or commercialize any competing product that has the same mechanism of action as ASLAN003 while the intellectual property licensed from Almirall remains in force or for ten years after the launch of ASLAN003 products on a country-by-country basis, whichever is longer. ASLAN Singapore shall be subject to a confidentiality clause for the term of the agreement and after the termination of this agreement.

			ASLAN Singapore will be required to pay an aggregate of up to $30 million if certain development milestones are achieved and an aggregate of up to $50 million if certain regulatory milestones are achieved. If ASLAN Singapore commercialises ASLAN003 products, ASLAN Singapore will be required to pay Almirall tiered royalties in the mid single-digit range on net sales. If ASLAN Singapore sublicenses, ASLAN Singapore must pay Almirall 10% of sublicensee income ASLAN Singapore receives. Unless earlier terminated for the various grounds set out therein, the amended agreement continues indefinitely.	
Licensing (ASLAN003)	ASLAN Pharmaceuticals Pte. Ltd. and BioGenetics Co Ltd	11 Mar 2019	On March 11, 2019, we entered into a collaboration and license agreement with BioGenetics, pursuant to which we granted BioGenetics the exclusive right to commercialize, and if agreed, manufacture, ASLAN003 for the treatment of all indications in South Korea. In consideration of the rights granted to BioGenetics under the agreement, we received an upfront payment of $1 million from BioGenetics and are eligible to receive up to $8 million in sales and development milestones, the thresholds for payment of such sales milestones being the aggregate of sales of *varlitinib* under the license summarized above and sales of ASLAN003 products. We are also eligible to receive tiered double-digit royalties on net sales up to a percentage within the mid-twenties. BioGenetics agreed to contribute to the global research and development costs incurred by ASLAN in the clinical development of ASLAN003 in acute myeloid leukemia. BioGenetics will be responsible for obtaining initial and all subsequent regulatory approvals of ASLAN003 in South Korea. We may provide clinical drug supplies to BioGenetics required for regulatory filings and for commercialization of products, pursuant to a separate manufacturing and supply agreement which the parties shall use commercially reasonable efforts to enter into no later than June 30, 2020. During the license period and for one year thereafter, neither BioGenetics, nor any of its affiliates, will participate in or fund, directly or indirectly, the development, manufacture or commercialization of a product which competes with ASLAN003. The license period commences on the effective date of the agreement and, unless terminated earlier pursuant to the terms of the agreement, or is mutually agreed to be extended, expires on the tenth anniversary of first commercial sale, subject to a right of automatic renewal for a further year upon ether party's notice. Either party may terminate the agreement in the event of material breach by, or insolvency of, the other party, or in the event of a material safety risk associated with the product. On any termination of the agreement, the license granted to BioGenetics will terminate, subject to certain transitional provisions.	ASLAN is subject to a confidentiality clause for the term of the agreement and after the termination of the agreement. The Parties agree to discuss how to proceed if certain specified events affecting commercial viability on the current terms, apply.
Licensing (ASLAN004)	ASLAN Pharmaceuticals Pte. Ltd. and CSL	12 May 2014 - 12 months after the final development Milestone Date	ASLAN Singapore entered into a license agreement with CSL, pursuant to which it obtained an exclusive, worldwide license to certain patents, know-how and other intellectual property owned or controlled by CSL related to CSL's anti-IL13 receptor monoclonal antibody, CSL334, which it refers to as ASLAN004, and antigen binding fragments thereof. Under the agreement, ASLAN Singapore has the exclusive right to develop ASLAN004 products through clinical proof of concept for the treatment, diagnosis or prevention of diseases or conditions in humans. Although ASLAN Singapore does not have the right to commercialize ASLAN004 products itself, it has the right to grant the commercial rights to third parties after it achieves clinical proof of concept subject to certain conditions. ASLAN Singapore is obligated to develop ASLAN004 products through clinical proof of concept at its own expense, and is required to achieve certain development	• Any sub-licensing of the Licensed Technology must be on terms consistent with all of the terms of the License Agreement; CSL's prior written approval required. • ASLAN Singapore to comply and assist CSL to comply with CSL Third Party Technology Agreement. • Improvement of IP by CSL during the term of the Agreement to be owned by CSL. • ASLAN Singapore may not exploit the Licensed Technology following achievement of Clinical Proof of Concept other than by granting right for commercialisation or as

			milestones by specified dates. In consideration of the rights granted to ASLAN Singapore under the agreement, it is required to pay to CSL a share in the range of 40 to 50 percent of all licensing revenue it receives. ASLAN Singapore is also responsible for all payments to third- party licensors to CSL, to the extent such obligations relate to its exploitation of the rights licensed under CSL's agreement with those parties. The agreement continues until 12 months after the final development milestone date. However, if ASLAN Singapore has entered into a sublicense granting the right to commercialize ASLAN004 products to a third party before such date, then the agreement will be extended until the expiration or termination of such third-party sublicense. 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, (ii) under certain circumstances related to the safety of ASLAN004 or (iii) if the other party becomes insolvent. In addition, ASLAN Singapore may terminate the agreement under certain circumstances related to the development and commercialisation of ASLAN004. In the event that ASLAN Singapore enters into an agreement with a third party for the commercialisation of ASLAN004 products, and such agreement subsequently expires by its terms, the license of CSL patents and know-how granted under the license agreement will become fully paid-up and perpetual as they relate to the agreement with the third party. If the agreement is terminated or expires and CSL subsequently commercializes ASLAN004 products or grants a third party rights to commercialize ASLAN004 products, then CSL will pay ASLAN Singapore royalties on the net sales of ASLAN004 products or share license revenue with us (whichever is applicable).	agreed in writing with CSL. The obligations of confidentiality of this agreement apply in perpetuity unless and until the information ceases to be properly characterised as confidential information.

VI. Financial Summary

1. Financial data summary – past 5 fiscal years

The Company qualifies under the definition of a foreign issuer applying for a primary Taipei Exchange listing of its stock, and need only present the financial data for the most recent five years in accordance with Article 19 in "Taipei Exchange Rules Governing Information to be Published in Reports for Applications for Trading of Securities on the TPEx".

a. Consolidated balance sheet and comprehensive income statement (figures are accordance with International Financial Reporting Standards)

i. Consolidated balance sheet

Unit: NT$000

Item		Most recent five years (Note 1)				
		2014 (pro forma)	2015 (pro forma)	2016 (actual)	2017 (actual)	2018 (actual)
Current Assets		178,955	890,962	1,718,671	1,501,918	889,210
Property, Plant and Equipment		3,168	2,919	12,437	13,154	8,815
Intangible Assets		665	430	2,727	2,493	705,456
Other Assets		1,591	1,851	4,037	4,773	12,817
Total Assets		184,379	896,162	1,737,872	1,522,338	1,616,298
Current Liabilities	Before Distribution	26,414	33,034	123,061	177,306	244,470
	After Distribution	26,414	33,034	123,061	177,306	244,470
Non-current Liabilities		227,614	279,491	269,692	291,855	435,990
Total Liabilities	Before Distribution	254,028	312,534	392,753	469,161	680,460
	After Distribution	254,028	312,534	392,753	469,161	680,460
Equity Attributable to Shareholders of the Parent Company						
Capital Stock		521,857	862,799	1,156,709	1,301,289	1,602,489
Capital Surplus		394,472	1,155,160	1,784,994	2,660,223	3,469,709
Retained Earnings	Before Distribution	(988,363)	(1,432,094)	(1,565,714)	(2,774,134)	(4,045,093)
	After Distribution	(988,363)	(1,432,094)	(1,565,714)	(2,774,134)	(4,045,093)
Other Equity		2,385	(2,237)	(30,870)	(134,201)	(91,267)
Treasury Stock		0	0	0	0	0
Non-controlling Interests		0	0	0	0	0
Total Equity	Before Distribution	(69,649)	583,628	1,345,119	1,053,177	935,838
	After Distribution	(69,649)	583,628	1,345,119	1,053,177	935,838

Note 1: Financial statements from 2014 to 2018 have been audited by CPAs.

ii. Consolidated comprehensive income statement (figures are in accordance with International Financial Reporting Standards)

Unit: NT$000

Item	Most recent five years (Note 1)				
	2014 (pro forma)	2015 (pro forma)	2016 (actual)	2017 (actual)	2018 (actual)
Operating Revenue	0	0	373,018	0	0
Gross Profit	0	0	368,980	0	0
Operating Income (Loss)	(379,816)	(434,161)	(281,037)	(1,185,632)	(1,275,854)
Non-operating Income and Expense	(2,233)	(9,570)	(11,288)	(22,788)	5,330
Earnings (Loss) before Tax	(382,049)	(443,731)	(292,325)	(1,208,420)	(1,270,524)
Net Income from Continuing Operations	(382,049)	(443,731)	(292,325)	(1,208,420)	(1,270,524)
Loss from Discontinued Operation	0	0	0	0	0
Net Income (Loss)	(382,049)	(443,731)	(292,325)	(1,208,420)	(1,270,959)
Other Comprehensive Income (Net after Tax)	2,246	(4,622)	47,604	(103,331)	42,934
Comprehensive Income	(379,803)	(448,353)	(244,721)	(1,311,751)	(1,228,025)
Loss per Share (NT$)	(7.32)	(8.06)	(2.78)	(9.71)	(8.49)

Note 1: Financial statements from 2014 to 2018 have been audited by CPAs.

b. Matters of material significance that affect the comparability of the consolidated financial statements

This can include accounting changes, corporate mergers or suspension of operations, and the impact of these events on current financial statements: None.

c. Names and audit opinions of the attesting CPA(s) for the most recent five years

i. Names and audit opinions of the attesting CPA(s) for the most recent five years:

Fiscal Year	CPA Firm	Attesting CPAs	Opinions
2014	Deloitte Taiwan	Jessie Wu & Denny Kuo	Unqualified Opinion
2015	Deloitte Taiwan	Jessie Wu & Denny Kuo	Unqualified Opinion
2016	Deloitte Taiwan	Jessie Wu & Denny Kuo	Unqualified Opinion
2017	Deloitte Taiwan	Dien Chang & Jessie Wu	Unqualified Opinion
2018	Deloitte Taiwan	Dien Chang & Jessie Wu	Unqualified Opinion

Note: The Company has completed the structural reorganisation of the Group on 26 September 2014

ii. If there was a change/replacement of the CPA(s) within the most recent five years, please provide an explanation from the company and reasons from the previous and current CPA(s):

Fiscal Year	CPA Firm	Previous Attesting CPAs	Current Attesting CPAs	Reason
2017	Deloitte Taiwan	Denny Kuo	Dien Chang	Internal rotation of CPA firms

iii. If the financial statements of the domestic issuer for the most recent seven years after the public issue or those of the foreign issuer for the most recent seven years were audited and certified by the same CPA(s), the Company shall explain the reasons for not changing the CPA(s). The Company should outline the measures taken to ensure the CPA(s)' independence: Not applicable.

2. Financial analysis

		Most recent five years (Note 1)				
		2014 (pro forma)	2015 (pro forma)	2016 (actual)	2017 (actual)	2018 (actual)
Financial Structure	Ratio of Liabilities to Assets (%)	137.77	34.87	22.60	30.82	42.10
	Ratio of long-term capital to PP&E (%)	4,986.27	29,569.00	12,983.93	10,225.27	15,562.43
Solvency	Current ratio (%)	677.50	2,696.37	1,396.60	847.08	363.73
	Quick ratio (%)	669.44	2,692.64	1,394.25	845.87	361.43
	Times interest earned ratio (Note 2)	(31.93)	(15.76)	(16.26)	(94.73)	(84.73)
Operating Capability (Note 3)	Receivable turnover rate (times)	NA	NA	17.82	NA	NA
	Average collection days for receivables	NA	NA	20	NA	NA
	Inventory's turnover rate (times)	NA	NA	NA	NA	NA
	Payable turnover rate (times)	NA	NA	NA	NA	NA
	Average days for sale	NA	NA	NA	NA	NA
	PP&E turnover rate (times)	NA	NA	48.58	NA	NA
	Total assets turnover rate (times)	NA	NA	0.28	NA	NA
Profitability	Return on assets (%)	(105.47)	(77.23)	(20.91)	(73.36)	(80.23)
	Return on equity (%)	(341.70)	(172.67)	(30.31)	(100.77)	(127.80)
	Ratio of operating income before tax to paid-in capital (%)	(72.78)	(50.32)	(24.30)	(91.11)	(79.62)
	Ratio of net income before tax to paid in capital (%)	(73.21)	(51.43)	(25.27)	(92.86)	(79.28)
	Profit ratio (%) (Note 4)	NA	NA	(78.37)	NA	NA
	EPS (NT$)	(7.32)	(8.06)	(2.78)	(9.71)	(8.49)
Cash Flow (Note 5)	Cash flow ratio (%)	(1,301.47)	(1,131.73)	(146.91)	(587.74)	(486.41)
	Cash flow adequacy ratio (%)	(13,125.83)	(16,708.62)	(5,932.18)	(6,983.03)	(432.16)
	Cash reinvestment ratio (%)	(214.11)	(43.15)	(11.08)	(76.27)	(85.16)
Leverage (Note 6)	Operational leverage	NA	NA	NA	NA	NA
	Financial leverage	NA	NA	NA	NA	NA

Reasons for changes in various financial ratios for more than 20% in the most recent two years (2017 & 2018):

1. Change in ratio(s) related to financial structure is mainly due to the Company's new drug was still under development, main business activities have started but no revenue has been generated in 2018.
2. Change in ratio(s) related to solvency is mainly due to increase in liabilities arising from the certain accruals related to R&D clinical trials expense.
3. Change in ratio(s) related to profitability is mainly due to increase in operating expense arising from the Company's new drugs was still under development. Main business activities have started but no revenue has been generated in 2018. With the Company conducting clinical trials, costs and expenses in relation to employees increase, the Company's administrative and R&D expenses increased in 2018 accordingly.
4. Change in ratio(s) related to cash flow is mainly due to the Company's new drug was still under development, main business activities have started but no revenue has been generated in 2018 resulting in a net cash outflow from operating activities reported in the financial statements.

Note 1: Financial statements have been audited by CPAs.

Note 2: The Company was still loss-making.

Note 3: Up to 2015 and FY2018, the Company's new drugs were under development. The various ratios related to operations were, therefore, not calculated. The Company recognized revenue of NT$8,213 thousands in Q2 2016 due to the successful out-licensing of *varlitinib* (ASLAN001) to Hyundai Pharma and Bristol-Myers Squibb reacquiring the rights to ASLAN002 in China, Australia, Korea, Taiwan and other Asian territories. The Company received an upfront payment of US$10 million and is eligible to receive development and regulatory milestones in the future.

Note 4: Up to 2015 and FY2018, the Company's new drug was still under development. Main business activities have started but no revenue has been generated. The profit ratio was, therefore, not calculated.

Note 5: Up to 2015 and FY2018, the Company's new drug was still under development. Main business activities have started but no revenue has been generated, resulting in a net cash outflow from operating activities reported in the financial statements.

Note 6: Up to 2015 and FY2018, the Company's new drug was still under development. Main business activities have started but no operating income has been generated. The operational leverage was, therefore, not calculated.

Note 7: Calculation formulas are listed below:

1. Financial Structure
   a. Debt-asset ratio = total liabilities / total assets
   b. Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net worth of property, plant and equipment
2. Solvency
   a. Current ratio = current assets / current liabilities
   b. Quick ratio = (current assets – inventory – prepaid expenses) / current liabilities
   c. Times interest earned ratio = income before income tax and interest expenses / current interest expenses
3. Operating capability
   a. Receivables (including accounts receivable and notes receivable arising from business operations) turnover rate = net sales / average receivables (including accounts receivable and notes receivable arising from business operations) for each period
   b. Average collection days for receivables = 365 / receivables turnover rate
   c. Inventory turnover rate = cost of sales / average inventory
   d. Payables (including accounts payable and notes payable arising from business operations) turnover rate = cost of sale / average payables (including accounts payable and notes payable arising from business operations) for each period

e. Average days of sale = 365 / inventory turnover rate
f. Property, plant and equipment turnover rate = net sales / average net worth of property, plant and equipment
g. Total asset turnover rate = net sales / average total assets

4. Profitability
   a. Return on assets = [net income + interest expenses (1- tax rate)] / average total assets
   b. Return on equity = net income (loss)/ average total equity
   c. Profit ratio = net income (loss) after tax/ net sales
   d. EPS = (profit and loss attributable to shareholders of the parent company – dividends on preferred shares) / weighted average number of issued shares
5. Cash Flow
   a. Cash flow ratio = Net cash flow from operating activities / current liabilities
   b. Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend) for the most recent five years
   c. Cash reinvestment ratio = (Net cash flow from operating activities – cash dividend) / (gross property, plant and equipment value + long-term investment + other non-current assets + working capital)
6. Leverage:
   a. Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income
   b. Financial leverage = operating income / (operating income - interest expenses)

3. Supervisor of the financial report in the last year or Audit Committee's review Report:

亞獅康股份有限公司
ASLAN Pharmaceuticals Limited
審計委員會審查報告書
Review Report by Audit Committee

茲准

董事會造送本公司民國107年度營業報告書、合併財務報表及虧損撥補議案，其中本公司民國107年度合併財務報表，業經委託勤業眾信聯合會計師事務所查核完竣，並出具查核報告書。上述民國107年度營業報告書、合併財務報表及虧損撥補議案經本審計委員會查核，認為尚無不合，爰依證券交易法第十四條之四及公司法第二百一十九條之規定報告如上。

The Board of Directors has prepared and submitted the Company's 2018 Business Report, Consolidated Financial Statements, and the proposal for deficit compensation statement. The independent CPA Deloitte & Touche was engaged to audit the company's Financial Statements and has issued an independent auditors' report. The abovementioned 2018 Business Report, Consolidated Financial Statements and the proposal for deficit compensation statement have been reviewed and approved by Audit Committee and it is believed that there is no any inconsistency. Therefore, the Audit Committee hereby reports in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

敬請鑒核

此致
亞獅康股份有限公司108年股東常會
To
2019 AGM of ASLAN Pharmaceuticals Limited

亞獅康股份有限公司ASLAN Pharmaceuticals Limited

審計委員會召集人 Chair of Audit Committee：

孫宗鋒

2 0 1 9 年 3 月 2 2 日

4. Financial statements and accountant's audit report in the last year: Please see appendix of this annual report for details.

5. Consolidated financial statement certified by CPA for subsidiaries for the most recent fiscal year: Not applicable.

6. In the last year and as of the publication date of annual report, if the Company and affiliated enterprise have difficulty in financial turnover, its impact on the financial situation of the Company shall be listed: Not applicable.

VII.Financial Situation and Performance Review Analysis and Risks

1. Financials

Unit: NT$000

	2017 (actual)	2018 (actual)	Increase (decrease)	
			Amount	%
Current Assets	1,501,918	889,210	(612,708)	(40.80)
Long-term Investment	0	0	0	0.00
Property, plant and equipment	13,154	8,815	(4,339)	(32.99)
Intangible Assets	2,493	705,456	702,963	28,197.47
Other Assets	4,773	12,817	8,044	168.53
Total Assets	1,522,338	1,616,298	93,960	6.17
Current Liabilities	177,306	244,470	67,164	37.88
Non-current Liabilities	291,855	435,990	144,135	49.39
Total Liabilities	469,161	680,460	211,299	45.04
Capital Stock	1,301,289	1,602,489	301,200	23.15
Capital Surplus	2,660,223	3,469,709	809,486	30.43
Accumulated Deficit	(2,774,134)	(4,045,093)	1,270,959	45.81
Other Equity	(134,201)	(91,267)	(42,934)	(31.99)
Total Equity	1,053,177	935,838	(117,339)	(11.14)

Major variations (if there is a 10% or more variation in the monetary amounts, and if such sum has reached 1% of the total assets value of the then current year):

1. Current assets decreased by 40.80% mainly due to the Company's new drugs being still under development, main business activities have started but no revenue has been generated in 2018, resulting in a decrease in cash.
2. Intangible assets increased by 28,197.47% mainly due to the Company acquired full global commercial rights of *varlitinib* from Array BioPharma in 2018.
3. Current liabilities increased mainly due to increase in liabilities arising from certain accruals related to R&D clinical trials expenses.
4. Non-current liabilities increased mainly due to the Company obtained a loan from CSL Finance Pty Ltd in 2018.
5. Paid-in capital and capital surplus increased mainly due to the Company raised NT$1,256M by issuing ADS in 2018, resulting in higher capital surplus in excess of NT$10.
6. Accumulated deficit increased by 45.81% due to increase in net operating loss. The Company's new drugs were still under development. Main business activities have started but no revenue has been generated in 2018. With the Company conducting clinical trials, costs and expenses in relation to number of employees increased, and the Company's administrative and R&D expenses increased in 2018 accordingly.
7. Other equity decreased mainly due to exchange difference on translating foreign operations.
8. Total shareholder's equity decreased mainly due to increase in accumulated deficit in 2018.

2. Performance

a. Operating results

Unit: NT$000

	2017 (actual)	2018 (actual)	Increase (decrease)	
			Amount	% change
Sales Revenue	0	0	0	0
Minus: Sales Return and Allowance	0	0	0	0
Net Sales Revenue	0	0	0	0
Minus: Operating Costs	0	0	0	0
Gross Profit	0	0	0	0
Minus: Operating Expenses	1,185,632	1,275,854	(90,222)	7.61
Net Operating Loss	1,185,632	1,275,854	(90,222)	7.61
Plus: Non-operating Income and Expense	22,788	(5,330)	28,118	123.39
Loss before Tax	1,208,420	1,270,524	62,104	5.14
Minus: Income Tax Expense	0	435	435	100
Net Loss after Tax	1,208,420	1,270,959	62,539	5.18

Major variations (if there is a 10% or more variation in the monetary amounts, and if such sum has reached 1% of the total assets value of the then current year):

1. Operating expenses increased by 7.61% mainly due to increase in personnel costs and various clinical trials, resulting in an increase in administrative and R&D expenses
2. Net operating loss increased mainly due to the fact that the Company's new drugs were still under development. Main business activities have started but no revenue was generated in 2018. With the Company conducting ongoing clinical trials, costs and expenses in connection with the number of employees increased. The Company's administrative and R&D expenses increased in 2018 accordingly
3. Loss before tax and net loss after tax increased mainly arising from the increase in net operating loss in 2018.

b. Sales forecast and assumptions, in addition to financial effects

The Company's portfolio is still in development and has not yet been approved for commercial sale. Continuous and significant investment in R&D is required in order to achieve commercial viability. Accordingly, no revenue was generated for the financial year ended 31 December 2017 and 2018.

In 2019, the Company signed new agreements with BioGenetics on commercialisation of *varlitinib* and ASLAN003 in South Korea.

In addition to the Company's development and commercialisation plans, we are actively working on:

1. Collaboration opportunities with international drug companies,
2. Continuous discussions with scientific organisations on research development partnerships,
3. Out-licensing deals with various potential partners.

3. Cash flow

a. Analysis and explanation of any changes over the most recent fiscal year

Unit: NT$000

Item	Cash flow		Change	
	2017 (actual)	2018 (actual)	Amount	Percentage (%)
Operating Activities (NT$)	(1,042,104)	(1,189,128)	(147,024)	(14.11)
Investing Activities (NT$)	(9,832)	(695,780)	(685,948)	(6,976.69)
Financing Activities (NT$)	1,003,417	1,219,427	216,010	21.53

Analysis of Changes (if there is a 10% or more variation between two fiscal years and if the amount of such variation is NT$10 million or more):

1. The increase in net cash out flow in operating activities for 2018 was due to an increase of NT$38 million related to research and development expenses and general administrative expense from 2017 to 2018 as the Company incurred higher expenditure for clinical trial activities, and also due to receiving NT$ 42 million related to the out-license revenue in 2017.
2. The increase in net cash out flow in investing activities for 2018 was due to the acquisition of full global commercial rights to develop, manufacture and commercialise of *varlitinib* for NT$695 million.
3. The increase in net cash inflow in financing activities for 2018 was due to the Company issue American Depositary Shares in 2018 and raised NT$1,256 million.

b. Liquidity and Plan of Operation

We have not achieved profitability since our inception and we expect to continue to incur net losses for the foreseeable future. We announced a strategic corporate restructuring in 2019 to focus our resources on our lead clinical programs: *varlitinib* in biliary tract cancer (BTC), ASLAN003 in acute myeloid leukaemia (AML) and ASLAN004 in atopic dermatitis. As part of the corporate restructuring plan, we substantially reduced research and development costs and administrative expenses by closing certain studies and reducing our workforce. We believe that, based upon our new operating plan, our existing capital resources, and upfront fee from BioGenetics, will be sufficient to fund our anticipated operations for at least the next 12 months, including development of *varlitinib*, ASLAN003 and ASLAN004. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. If our planned preclinical and clinical trials are successful, or our other product candidates enter clinical trials or advance beyond the discovery stage, we will need to raise substantial additional financing in the future to fund our operations. In order to meet these additional cash requirements, we may incur debt, out-license certain intellectual property and seek to sell additional equity or convertible securities that may result in dilution to our stockholders. If we raise

additional funds through the issuance of equity or convertible securities, these securities could have rights or preferences senior to those of our ADSs and ordinary shares and any indebtedness could contain covenants that restrict our operations. There can be no assurance that we will be able to obtain additional equity or debt financing on terms acceptable to us, if at all.

4. Impact of any material capital expenditures for the most recent year:

a. Intangible assets

The Company acquired full global commercial rights to develop, manufacture and commercialise *varlitinib* in January 2018. The new licensing agreement replaces the prior licensing agreement signed in 2011 to develop and sublicense *varlitinib*, which did not grant commercial rights to the Company. The Company made an upfront payment of US$12 million to Array on signature and a further payment of US$11 million in June 2018, together with a potential obligation to pay up to US$30 million of development and US$75 million of commercial milestones, as well as tiered low double-digit royalties as a percentage of net sales of *varlitinib*.

5. Policy for the most recent year on investments in other companies, main reasons for profits/losses as a result, plans for improvement, and investment plans

i. Investment policy

The Company is focused on investment targets relating to the Company's core business and is not engaged in any other businesses. The investments are carried out by relevant departments in accordance with internal policies, "Investment Cycle" and "Procedures for Handling Acquisition and Disposal of Assets". These policies have been discussed and approved at the Board of Directors' Meetings or the Shareholders' Meetings.

ii. Reasons for profits/losses resulting from investments

Unit: NT$000

Investee Company	2018 (Return on Investment)	Description
ASLAN Pharmaceuticals Pte. Ltd. (ASLAN Singapore)	(NT$1,232,785)	The Company's core business is in drug development and its portfolio is still in development phase.
ASLAN Pharmaceuticals Taiwan Limited (ASLAN Taiwan)	NT$2,865	
ASLAN Pharmaceuticals Australia Pty Ltd (ASLAN Australia)	(NT$7,992)	
ASLAN Pharmaceuticals Hong Kong Limited (ASLAN Hong Kong)	(NT$29,769)	
ASLAN Pharmaceuticals (Shanghai) Co. Ltd. (ASLAN Shanghai)	(NT$29,086)	
ASLAN Pharmaceuticals (USA) Inc.	NT$0	

iii. Investment Plan: None.

6. Risks

Below are the risk factors relating to ASLAN in the most recent year and as of the date of the report:

a. Impact of interest rates, FX, and inflation:

i. Impact of interest rates

In 2017 and 2018, interest revenues were NT$11 million and NT$8.1 million. Interest expenses are from the loan and dividends of preferred shares. In 2017 and 2018, interest expenses were NT$12.6 million and NT$14.8 million respectively. Interest expenses represented approximately 1% to 1.2% of net losses in the most recent 2 years. Interest rate changes should have no significant impact to the Company.

ASLAN also monitors trends in interest rates, and will have a comprehensive assessment of available amounts and costs of various funding sources. This ensures the most cost-effective funding approach.

ii. Impact of changes in foreign currency

Raw materials and the cost of clinical trials are charged in foreign currencies, which need to be converted at foreign currency exchange (FX) rates. ASLAN may, therefore, be impacted by changes in FX. On the other hand, upcoming income from out-licensing will also be paid in foreign currencies – this results, to a limited extent, as a natural hedge to account receivables and account payables. We expect that changes in FX would only have a limited impact. ASLAN will continue to monitor major foreign currency changes to reduce FX risk.

iii. Impact of inflation

ASLAN monitors inflation trends closely and there has been no impact to the Company's profit and loss. As ASLAN continues to progress development of its drugs, expenses and capital expenditure are expected to be less impacted by inflation.

b. Please elaborate on the policies relating to high-risk, high-leveraged investments, lending of capital, endorsements and guarantees, and derivative products transactions.

ASLAN has established the following policies: "Procedures for the Acquisition or Disposal of Assets", "Procedures for Making Loans to Others", "Procedures for Endorsement and Guarantee", and "Procedures for Derivatives Transactions". We are not involved in any high-risk and high-leveraged investments. ASLAN has not made any loans to others, or given endorsements and guarantees to any parties outside the group. We only focus on our core business and are not involved in other high-risk industries. ASLAN's financial policies are conservative and do not allow high-leveraged investments. We believe that risk, in this aspect, is limited.

c. R&D work to be carried out in the future, and future expenditures expected for R&D work

i. Future R&D programmes

ASLAN continues to invest in the clinical development of its product candidates, including in connection with the following planned and ongoing clinical trials:

- Global pivotal clinical trial for *varlitinib* in biliary tract cancer
- Global clinical trials for ASLAN003 in AML
- ASLAN004 pre-clinical and phase 1 clinical trials in Atopic Dermatitis
- Any additional clinical trials that the Company may conduct for its product candidates

ii. Plans to in-license more compounds

ASLAN's strategy is to selectively in-license or acquire additional oncology product candidates. The Company plans to utilise its global relationships and business development experience to identify and evaluate new product opportunities based on its understanding of Asia prevalent cancers and the targets and pathways that drive them.

d. Legal and regulatory changes

ASLAN is registered in the Cayman Islands, with operating headquarters in Singapore and subsidiaries in Taiwan, Australia, Hong Kong, China, and the United States. The Cayman Islands is for registration purposes and the Company does not have business activities in the Cayman Islands. Singapore is our main base of operations, and the country enjoys a stable political environment and highly-developed economy.

ASLAN adheres to local and international laws and policies, both domestic and foreign. We keep an eye on critical policy trends and regulatory changes. For the latest financial year and as of the date of the report, there is no material impact arising from the laws and policies in the Cayman Islands and Singapore.

e. Impact of technology and changes in industry

Technology and industry changes may impact the out-licensing terms and the intentions of potential partners due to the emergence of competing drugs – ASLAN, therefore, keeps a close eye on competitors' portfolios and pipelines. The entry barriers to ASLAN's portfolio of drugs are high and the impact from technology and industry changes should be limited in the short to medium term.

The R&D team engages industry experts to ensure that ASLAN is up-to-date with latest developments. New activities may increase R&D expenses and lengthen timelines. Senior management undertakes a review of ASLAN's operating budget, ensuring an effective allocation of resources. We believe that the impact of technology and industry changes to the Company's financials and business are limited.

f. Corporate reputation

The Company, since its inception, has focused on novel drug development. ASLAN adheres to all relevant laws and regulations, and fosters a culture of integrity and professionalism. The Company is constantly aiming to improve management practices and drive performance, in addition to fostering good labour relations. ASLAN has established credibility in the industry (domestically and internationally), and continues to maintain its reputation. There are no events or circumstances that could negatively impact the Company's reputation.

g. Acquisitions

ASLAN does not have acquisition plans in the most recent year and as of the date of the report.

h. Plant expansion

ASLAN does not have plans for plant expansion in the most recent year and as of the date of the report.

i. Buyer and seller concentration

1) Buyer concentration
ASLAN's drugs are currently in various stages of clinical development. As such, it does not have significant purchasing activities in the most recent year and as of the date of the report. There is no risk of buyer concentration.

2) Seller concentration
ASLAN's drugs are currently in various stages of clinical development, with the Company generating revenues from 2016 Q3. There is, therefore, no risk of seller concentration.

j. Significant share ownership

ASLAN elected new board directors on 15 April 2016 and added another director on 27 May 2016. For good corporate governance, we have three independent directors to strengthen the functions of the Board of Directors – we believe this to be beneficial to the Company's long term development and shareholders' interest. As of the date of the report, there are no significant share ownership transfers by directors, supervisors, or shareholders exceeding 10%, or changes in previous persons.

k. Changes in management and Board of Directors

Carl Firth is the founder of ASLAN, a shareholder and also a professional manager. He is supported by shareholders to serve as the chairman and CEO of the Company. Our shareholders have supported the

Company for many years and we do not foresee the possibilities that ASLAN would be impacted due by changes in the Board of Directors and management. ASLAN has established thorough and solid internal control systems and policies. The impact and risks of these changes are minimal.

l. Other major risks

i. Risks associated with the protection of shareholders' equity

Company laws and regulations differ between the Cayman Islands, the United States and the Republic of China. Although the Company has revised its Memorandum and Articles of Association according to the Checklist of Matters Concerning the Protection of Shareholders' Equity prescribed by the Taipei Exchange, there are a number of differences between the laws and regulations in the two jurisdictions. Investors cannot apply for shareholders' equity protection under laws governing Taiwanese companies as ASLAN is a Cayman Islands company. Investors should seek professional advice on the aforementioned point.

ii. Risks associated with statements in the report

a) Facts and statistics

Certain data and statistics in this Annual Report are derived from different publications. Such data may be inaccurate, incomplete or out-of-date. The Company makes no representation concerning the verity or accuracy of such statements. Readers of this Annual Report should not overly rely on such data.

b) Forward-looking statements, risks and uncertainties set forth in this Annual Report

This report contains certain forward-looking statements and information about the Company and its subsidiaries. Such statements and information are based on the philosophy, assumptions and currently controlled information of the Company's management. Expressions such as "projected," "believed," "capable," "expected," "thereafter," "intend to," "or may," "must," "plan," "forecast," "seek," "should," "will," "may," "is going to" and other similar expressions should refer to forward-looking statements when they refer to the Company or to the Company's management. Such statements reflect the current views of the Company's management on future events, operation, working capital and funding sources. Some of the views may not be realised or may be changed. Such statements are affected by certain risks, uncertainties and assumptions, including the other risk factors set forth in this report. An investor should know that reliance on any forward-looking statement involves known and unknown risks and uncertainties. Such risks and uncertainties facing the Company may affect the accuracy of forward-looking statements.

The Company will not update the forward-looking statements in this report or make any revision to accommodate future events or information. In view of such risks and other risks, uncertainties and assumptions, the forward-looking statements and circumstances in this report may not necessarily take place as expected by the Company or may not even take place. Therefore, an investor should not rely on any forward-looking statements.

c) For other major risks and coping measures concerning the Company's operations, please refer to favourable and unfavourable factors (and mitigants) concerning the Company's future development on page 76 of risk factors relating to ASLAN in the most recent year and as of the date of this Annual Report. Mitigants may not be effectively implemented due to force majeure. Relevant risks may still affect the Company's business, operation results and financial conditions.

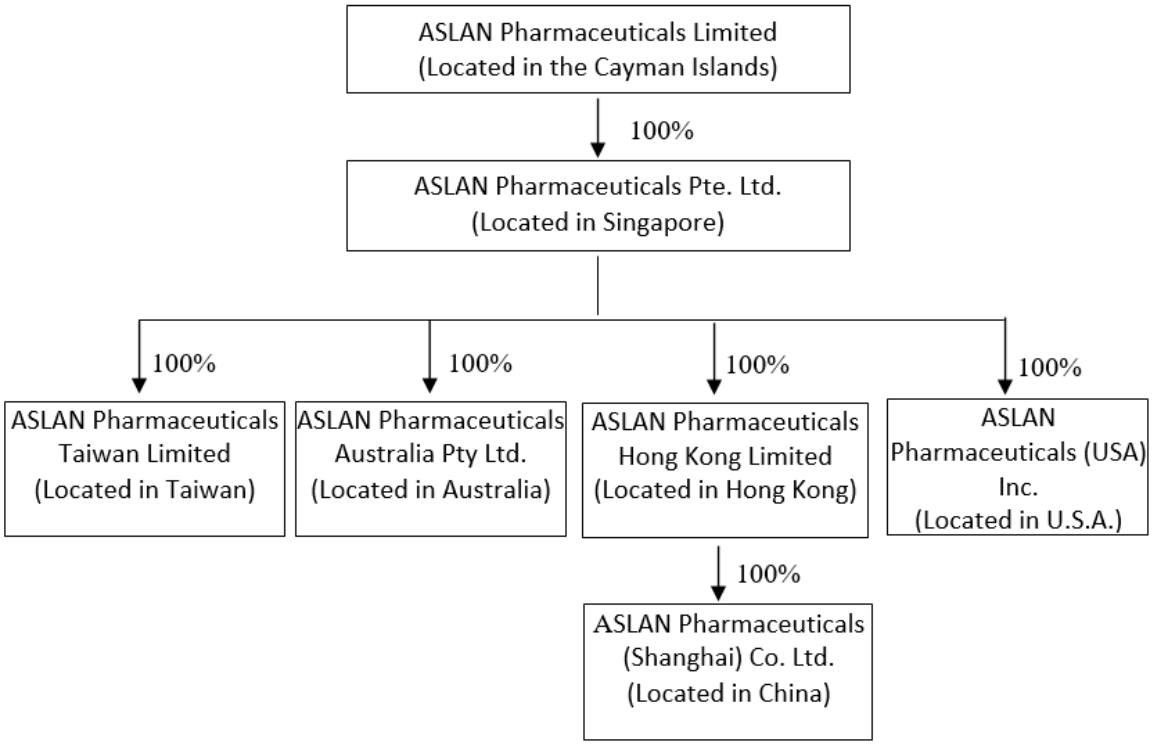
7. Other important matters: None.

VIII. Special Recorded Matters

1. Relevant information of affiliated enterprises:

a. Consolidated business report of affiliated enterprises

i. Group structure



ii. Basic information of affiliated enterprise

No	Name	Incorporation Date	Address	Paid-in Capital	Main Business
1	ASLAN Pharmaceuticals Pte. Ltd.	13 Apr 2010	83 Clemenceau Ave #12-03 UE Square, Singapore 239920	US$149,842,482	New drugs research and development
2	ASLAN Pharmaceuticals Taiwan Limited	19 Nov 2013	35F, 68 ZhongXiao E Rd Sec 5 Xinyi Dist, Taipei 110 Taiwan	NT$5,000,000	New drugs research and development
3	ASLAN Pharmaceuticals Australia Pty Ltd	3 Jul 2014	58 Gipps Street, Collingwood Victoria 3066, Australia	-	New drugs research and development
4	ASLAN Pharmaceuticals Hong Kong Limited	13 Jul 2015	Rm 303, 3F St. George's Building 2 Ice House Street, Central, Hong Kong	-	New drugs research and development
5	ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	24 May 2016	Room 4258-4259, 42/F, CITIC Pacific Plaza, 1168 Nanjing West Road, Jing'an District, Shanghai, China	US$1,400,000	New drugs research and development
6	ASLAN Pharmaceuticals (USA) Inc.	15 Oct 2018	251 Little Falls Drive, Wilmington, New Castle County Delaware, USA	-	New drugs research and development

iii. Same shareholder information of those presumed with control and subordinate relationship: None.

iv. Industries covered by the operating business of overall affiliated enterprises:
New drugs research and development.

v. Information of directors, supervisors and General Manager of each affiliated enterprise

No	Name	Title	Name	ASLAN Pharmaceuticals Limited shareholding info	
				Number of shares	Shareholding ratio
1	ASLAN Pharmaceuticals Pte. Ltd.	Director	Carl Firth Damien Lim Jun Wu	121,853,313	100%
2	ASLAN Pharmaceuticals Taiwan Limited	Director	Carl Firth Mark McHale Ben Goodger	500,000	100%
		Supervisor	Kiran Asarpota		
3	ASLAN Pharmaceuticals Australia Pty Ltd	Director	Carl Firth Blair Lucas Ben Goodger	1	100%
4	ASLAN Pharmaceuticals Hong Kong Limited	Director	Carl Firth Stephen Doyle Ben Goodger	1	100%
5	ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	Director	Michael Chiang Stephen Doyle Ben Goodger	(Note)	100%
		Supervisor	Kiran Asarpota		100%
6	ASLAN Pharmaceuticals (USA) Inc.	Director	Carl Firth Ben Goodger	1	100%

Note: No shares issued due to limited company status.

b. Affiliated enterprise consolidated financial statement: Please see appendix.

c. Relationship report: Not applicable.

2. In the last year and as at the publication date of annual report, handling situation of private placement of securities: Not applicable.

3. In the last year and as at the publication date of annual report, subsidiary's holding or disposal of the Company: Not applicable.

4. Other necessary supplementary explanations: The commitment items and implementation status for the Company's listing and the issuance of securities were shown as below:

The statements of commitment items	Implementation status
Per TPEx official letter No.10601001421 dated on 26 January 2017, the Company has agreed to make amendments to the Company's policy of "Procedures for Acquisition or Disposal of Assets" by adding the following paragraph: "If the Company loses its effective control over ASLAN Pharmaceuticals Pte. Ltd., ASLAN Pharmaceuticals Taiwan Ltd., ASLAN Pharmaceuticals Hong Kong Ltd, and/or ASLAN Pharmaceuticals (Shanghai) Co. Ltd. due to directly/indirectly waiving its subscription right to the capital increase in those companies in the future, or directly/indirectly disposing of the shares of those companies, a resolution by a majority vote of the directors present at a board meeting attended by two-thirds of the company's directors will be required with all independent directors attending the board meeting and providing opinions. The aforesaid resolution and the consequent amendments to the "Procedures for Acquisition or Disposal of Assets" are required to be disclosed in MOPS as Material Information, and reported in writing to TPEx."	The mentioned paragraph has been amended in the Company's policy of "Procedures for Acquisition or Disposal of Assets". The resolution was approved by the Board of Directors on 23 January 2017 and proposed the same to the AGM held on 28 June 2017 with shareholders' approval. For compliance with FSC's official letter No. 1070343930 dated 4th December 2018, the Company has amended the policy of 'Procedures of Governing the Acquisition or Disposal of Assets' for new regulation updates and is hereby disclosed as per commitment. The amendments were approved by the Board of Directors on 22 March 2019 and will be proposed to the next AGM on 21 June 2019 for shareholders' approval.

5. In the last year and as at the publication date of annual report, the occurrence of matter having significant impact on the shareholders' equity or security price as prescribed in Subparagraph 2, Paragraph 3, Article 36 of Securities and Exchange Act: Not applicable.

ASLAN Pharmaceuticals Limited and Subsidiaries

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

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

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)

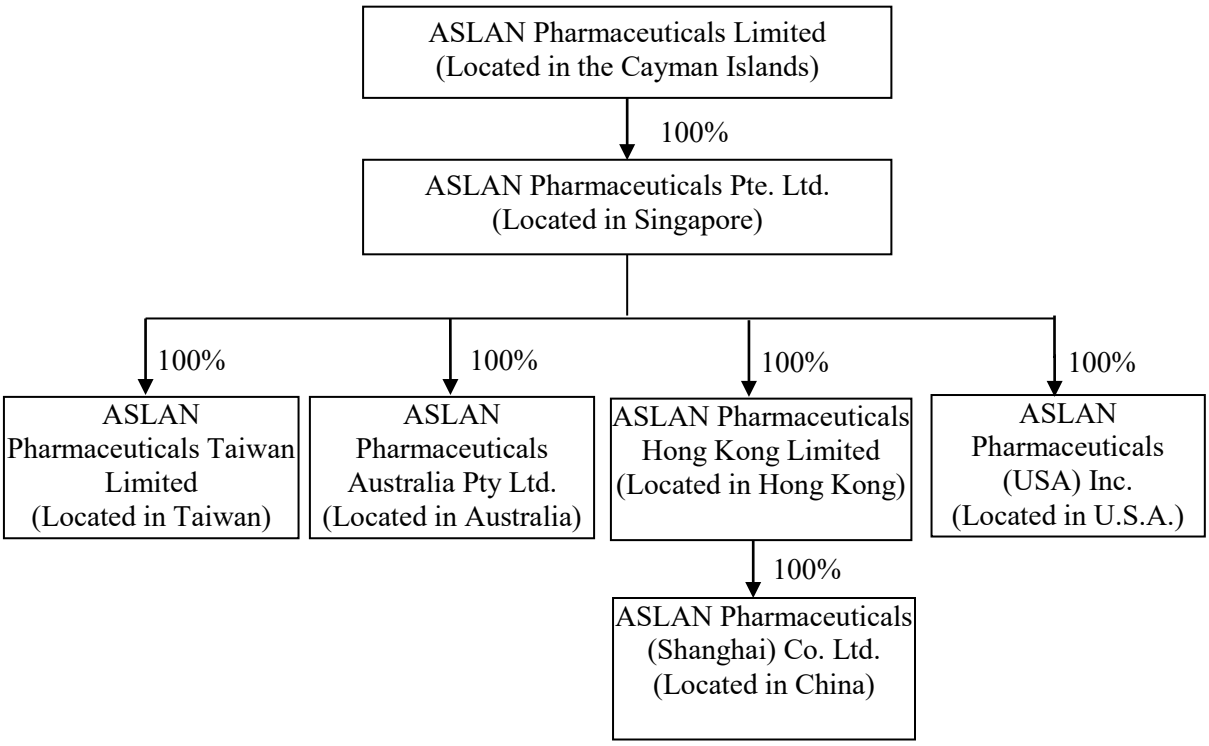
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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.

ASLAN Pharmaceuticals

Chairman：Carl Firth


ASLAN
PHARMACEUTICALS