ASLAN Pharmaceuticals Limited and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
ASLAN Pharmaceuticals Limited

Opinion

We have audited the accompanying consolidated financial statements of ASLAN Pharmaceuticals Limited and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, 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 Company as of December 31, 2019 and 2018, 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 Company 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, 2019. 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, 2019 is as follows:

<u>Assessment of liquidity risk</u>

The Company has reported a net loss in all fiscal periods since inception due to continuous cash outflows from research and development activities and execution of clinical programs, and expects to incur substantial and increased expenses to expand the said development activities. The Company expects to continue to generate operating losses in the foreseeable future. Based on the Company's business plans disclosed in Note 25, the Company may seek future funding based on the need of capital and exercise discretion and flexibility to deploy its capital resources in the progress of the research and development according to the schedule of fund raising to continue its operation in the future. Thus, we consider the assessment of liquidity risk a key audit matter.

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

1. We obtained the cash flow forecast of the Company in next twelve months, and discussed with management the feasibility of the cash flow forecast and its operations.

2. We verified the compliance of covenants associated with the debt agreement and management's responses.

3. We assessed the appropriateness of the footnote disclosure to financial statement.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company'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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company 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 Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Company 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, 2019 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 18, 2020

<u>*Notice to Readers*</u>

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, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 665,050	95	$ 883,598	55
Prepayments	2,064	-	5,612	-
Total current assets	667,114	95	889,210	55
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 4,7 and 17)	2,045	-	1,834	-
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 17)	3,959	1	5,723	-
Property, plant and equipment (Notes 4 and 10)	1,148	-	8,815	1
Right-of-use assets (Notes 3, 4 and 11)	21,802	3	-	-
Intangible assets (Notes 4, 12 and 17)	85	-	705,456	44
Refundable deposits	3,237	1	5,260	-
Total non-current assets	32,276	5	727,088	45
TOTAL	$ 699,390	100	$ 1,616,298	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables	$ 56,068	8	$ 162,475	10
Other payables (Notes 13 and 21)	97,253	14	81,995	5
Lease liabilities - current (Notes 3, 4 and 11)	7,924	1	-	-
Total current liabilities	161,245	23	244,470	15
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (Note 4 and 7)	7,859	1	-	-
Long-term borrowings (Note 14 and 26)	511,159	73	427,138	26
Long-term borrowings from related parties (Note 14 and 26)	16,958	2	-	-
Lease liabilities - non-current (Notes 3, 4 and 11)	14,702	2	-	-
Other non-current liabilities (Note 21)	5,537	1	8,852	1
Total non-current liabilities	556,215	79	435,990	27
Total liabilities	717,460	102	680,460	42
EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT (Note 16)				
Ordinary shares	1,899,549	272	1,602,489	99
Capital surplus	3,623,481	518	3,469,709	215
Accumulated deficits	(5,495,608)	(786)	(4,045,093)	(250)
Other equity	(77,664)	(12)	(91,267)	(6)
Total equity attributable to stockholders of the parent	(50,242)	(8)	935,838	58
NON-CONTROLLING INTERESTS	32,172	6	-	-
Total equity	(18,070)	(2)	935,838	58
TOTAL	$ 699,390	100	$ 1,616,298	100

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

Chairman: Andrew James Howden Chief Executive Officer: Carl Firth Head of Finance: Kiran Asarpota

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2019		2018	
	Amount	%	Amount	%
SALES (Note 17)	$ 92,359	100	$ -	-
OPERATING COSTS (Note 17)	12,538	14	-	-
GROSS PROFIT	79,821	86	-	-
OPERATING EXPENSES (Notes 15, 18 and 21)				
General and administrative expenses	$ (262,576)	(284)	$ (316,755)	-
Research and development expenses	(511,661)	(554)	(959,099)	-
Total operating expenses	(774,237)	(838)	(1,275,854)	-
OTHER OPERATING INCOME AND EXPENSES (Notes 12 and 18)	(711,763)	(771)	-	-
LOSS FROM OPERATIONS	(1,406,179)	(1,523)	(1,275,854)	-
NON-OPERATING INCOME AND EXPENSES				
Interest income	4,646	5	8,084	-
Other income (Note 17)	-	-	5,641	-
Other gains and losses (Note 18)	(10,112)	(11)	6,425	-
Finance costs (Notes 4 and 18)	(27,813)	(29)	(14,820)	-
Total non-operating income and expenses	(33,279)	(35)	5,330	-
LOSS BEFORE INCOME TAX	(1,439,458)	(1,558)	(1,270,524)	-
INCOME TAX EXPENSE (Notes 4 and 19)	(12,586)	(14)	(435)	-
NET LOSS FOR THE YEAR	(1,452,044)	(1,572)	(1,270,959)	-
OTHER COMPREHENSIVE INCOME/(LOSS) (Note 16)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(1,699)	(2)	-	-
Exchange differences arising on translation to the presentation currency	14,621	16	42,934	-
	12,922	14	42,934	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	$ (1,439,122)	(1,558)	$ (1,228,025)	-

(Continued)

NET LOSS ATTRIBUTABLE TO				
Stockholders of the parent	$ (1,450,515)	(1,570)	$ (1,270,959)	-
Non-controlling interests	(1,529)	(2)	-	-
	$ (1,452,044)	(1,572)	$ (1,270,959)	-
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO				
Stockholders of the parent	$ (1,436,912)	(1,555)	$ (1,228,025)	-
Non-controlling interests	(2,210)	(3)	-	-
	$ (1,439,122)	(1,558)	$ (1,228,025)	-
LOSS PER SHARE (Note 20)				
Basic and diluted	$ (8.93)		$ (8.49)	

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

Chairman: Andrew James Howden Chief Executive Officer: Carl Firth Head of Finance: Kiran Asarpota

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent										
	Ordinary Shares (Note 16)		Capital Surplus (Note 16)								
	Shares	Amount	Ordinary Shares	Share Options Reserve	Other	Total	Accumulated Deficits	Exchange Differences on Translating Foreign Operations (Note 16)	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Income (Note 16 And 17)	Non-controlling Interests (Note 22)	Total Equity
BALANCE AT JANUARY 1, 2018	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 16)	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 21)	120,000	1,200	1,282	(1,014)	-	268	-	-	-	-	1,468
Recognition of employee share options by the Company (Note 21)	-	-	-	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
Issuance of new share capital (Note 16)	29,466,030	294,660	154,697	-	-	154,697	-	-	-	-	449,357
Transaction costs attributable to the issuance of ordinary shares	-	-	(44,066)	-	-	(44,066)	-	-	-	-	(44,066)
Issuance of ordinary shares under employee share option plan (Note 21)	240,000	2,400	904	(2,571)	-	(1,667)	-	-	-	-	733
Recognition of employee share options by the Company (Note 21)	-	-	-	1,319	-	1,319	-	-	-	-	1,319
Changes in percentage of ownership interests in subsidiaries (Note 22)	-	-	-	-	42,114	42,114	-	-	-	(42,114)	-
Equity component of long-term debt borrowed by the Company (Note 16)	-	-	-	-	1,375	1,375	-	-	-	-	1,375
Net loss for the year ended December 31, 2019	-	-	-	-	-	-	(1,450,515)	-	-	(1,529)	(1,452,044)
Other comprehensive income for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	-	15,302	(1,699)	(681)	12,922
Total comprehensive loss for the year ended December 31, 2019	-	-	-	-	-	-	(1,450,515)	15,302	(1,699)	(2,210)	(1,439,122)

Net increase in non-controlling interests	-	-	-	-	-	- -	-	-	-	76,496	76,496
BALANCE AT DECEMBER 31, 2019	189,954,970	$ 1,899,549	$ 3,384,852	$ 195,140	$ 43,489	$ 3,623,481	$ (5,495,608)	$ (75,965)	$ (1,699)	$ 32,172	$ (18,070)

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

Chairman: Andrew James Howden

Chief Executive Officer: Carl Firth

Head of Finance: Kiran Asarpota

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (1,439,458)	$ (1,270,524)
Adjustments for:		
Depreciation expenses	13,604	7,092
Amortization expenses	134	192
Net loss on fair value changes of financial assets at fair value through profit or loss, net	1,449	(1,808)
Finance costs	27,813	14,820
Interest income	(4,646)	(8,084)
Compensation costs of share-based payment transactions	1,358	38,857
Loss on disposal of property, plant and equipment	2,288	-
Unrealized loss (gain) on foreign exchange, net	4,175	(7,740)
Impairment loss recognized on intangible assets	711,763	-
Loss on lease modification	1,990	-
Gain on disposal of licensed rights	-	(5,641)
Changes in operating assets and liabilities		
Decrease (increase) in prepayments	3,538	(3,364)
(Decrease) increase in trade payables	(106,237)	42,705
Increase (decrease) in other payables	(4,839)	(3,282)
Cash used in operations	(787,068)	(1,196,777)
Interest received	4,646	8,084
Interest paid	(1,112)	-
Income tax paid	(12,586)	(435)
Net cash used in operating activities	(796,120)	(1,189,128)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(92)	(2,418)
Proceeds from disposal of property, plant and equipment	180	-
Payments for intangible assets	-	(693,027)
Decrease (increase) in refundable deposits	79	(335)
Net cash (used in) generate from investing activities	167	(695,780)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	100,255	122,330
Repayment of the principal portion of lease liabilities	(7,505)	-
Proceeds from new share capital	449,357	1,256,108
Proceeds from exercise of employee share options	733	1,468

(Continued)

	2019	2018
Payments for transaction costs attributable to the issuance of ordinary shares	$(35,660)	$(160,479)
Proceeds from non-controlling interests	76,496	-
Net cash generated from financing activities	583,676	1,219,427
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(6,271)	49,295
NET DECREASE IN CASH AND CASH EQUIVALENTS	(218,548)	(616,186)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	883,598	1,499,784
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 665,050	$ 883,598

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

Chairman: Andrew James Howden   Chief Executive Officer: Carl Firth   Head of Finance: Kiran Asarpota

1. GENERAL INFORMATION

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

ASLAN Cayman's shares have been listed on the TPEx since June 1, 2017. In addition, ASLAN Cayman 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 18, 2020.

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), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 Company's accounting policies:

   IFRS 16 "Leases"

   IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

   Definition of a lease

   A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration under IFRS 16.

   The Company elects 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 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Company presents 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 are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts were recognized as expenses on a straight-line basis. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows.

The Company elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were 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 are measured at an amount equal to the lease liabilities. The Company applies IAS 36 to all right-of-use assets.

The Company also applies the following practical expedients:

1) The Company applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

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

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

4) The Company uses hindsight, such as in determining lease terms, to measure lease liabilities.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 6%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 18,318
Less: Recognition exemption for short-term leases	(7,994)
Less: Recognition exemption for leases of low-value assets	(34)
Undiscounted amounts on January 1, 2019	$ 10,290
Discounted amounts using the incremental borrowing rate on January 1, 2019	$ 9,898
Lease liabilities recognized on January 1, 2019	$ 9,898

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	Carrying amount as of January 1, 2019	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	

b. IFRSs standards endorsed by FSC for application starting from 2020

New IFRSs Standards	Effective Date Announced by IASB
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

Note 1: The Company 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 2: The Company shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

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

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

New IFRSs Standards	Effective Date Announced by IASB (Note 1)
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 “Classification of Liabilities as Current or Non-current”	January 1, 2022

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

As of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company’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 trade payable arising from cash-settled share-based payment arrangements which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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 Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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 ASLAN Cayman and entities controlled by ASLAN Cayman (its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to stockholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Company and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to stockholders of the parent.

See Note 9 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 Company 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 attributed to stockholders of the parent and non-controlling interests as appropriate. The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the Company 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 Company 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 Company 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 Company 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 Company 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

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 other gains or losses. Fair value is determined in the manner described in Note 25.

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 Company 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 Company 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 Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

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

For financial instruments, the Company 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 Company 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 Company 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.

c) Derecognition of financial assets

The Company 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 the Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company 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

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

1) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 24.

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.

4) Compound instruments

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

Transaction costs that relate to the issuance of the compound instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

j. Revenue recognition

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 17 for details of the Company’s licensing agreements.

The Company 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 Company 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 Company satisfies the performance obligations.

At the inception of a contract, the Company 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 Company 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 Company’s intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company 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 Company 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 Company 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 Company 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 Company evaluates the probability of achievement of such milestone payments and any related constraints and, if necessary, adjusts the Company's 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 Company 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 Company has not recognized any royalty revenue resulting from any of out-licensing arrangements.

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 Company's technologies under development and clinical trials, such as payments to contract research organizations ("CROs"), investigators and clinical trial sites that conduct the Company'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 Company'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

2019

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and the default fine arises from lease termination. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the its incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

If a change in the scope of the lease, or the consideration of a lease, that was no part of the original terms and conditions of the lease takes place, and both the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract, the Company shall account for a lease modification as a separate lease. For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Company shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

The Company shall account for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, shall recognize in profit or loss any gain or loss relating to the partial or full termination of the lease, and shall make a corresponding adjustment to the right-of-use asset for all other lease modification.

2018

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 Company 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 Company'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 Company 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 Company'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. Impairment of intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually and whenever an indicator of impairment exists. The Company 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 Company's strategies may lead to significant impairment loss in the future.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash on hand	$ 52	$ 71
Deposits in banks	664,998	883,527
	$ 665,050	$ 883,598

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	
	2019	2018
Time deposits	-	2.57%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2019	2018
Financial assets at fair value through profit or loss (FVTPL) - Non-current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets – warrants (a)	$ 390	$ 1,834
Derivative financial assets - pre-redemption right (b)	1,655	-
	$ 2,045	$ 1,834
Financial liabilities at fair value through profit or loss (FVTPL) - Non-current		
Financial liabilities designated as at FVTPL (c)		
Derivative financial liabilities - conversion right	$ 7,859	$ -

a. In July 2018, the Company acquired warrants to subscribe for ordinary shares of DotBio Pte. Ltd., as detailed in Note 17 (under the heading of "Nanyang Technological University").
b. On October 25, 2019, the Company entered into a loan facility agreement with warrants and was entitled to repay at any time prior to expiry of the term, as detailed in Note 14 (under the heading of "October / November 2019 Loan Facility").
c. On September 30, 2019, the Company entered into a convertible loan facility, as detailed in Note 14 (under the heading of "Convertible Loan Facility").

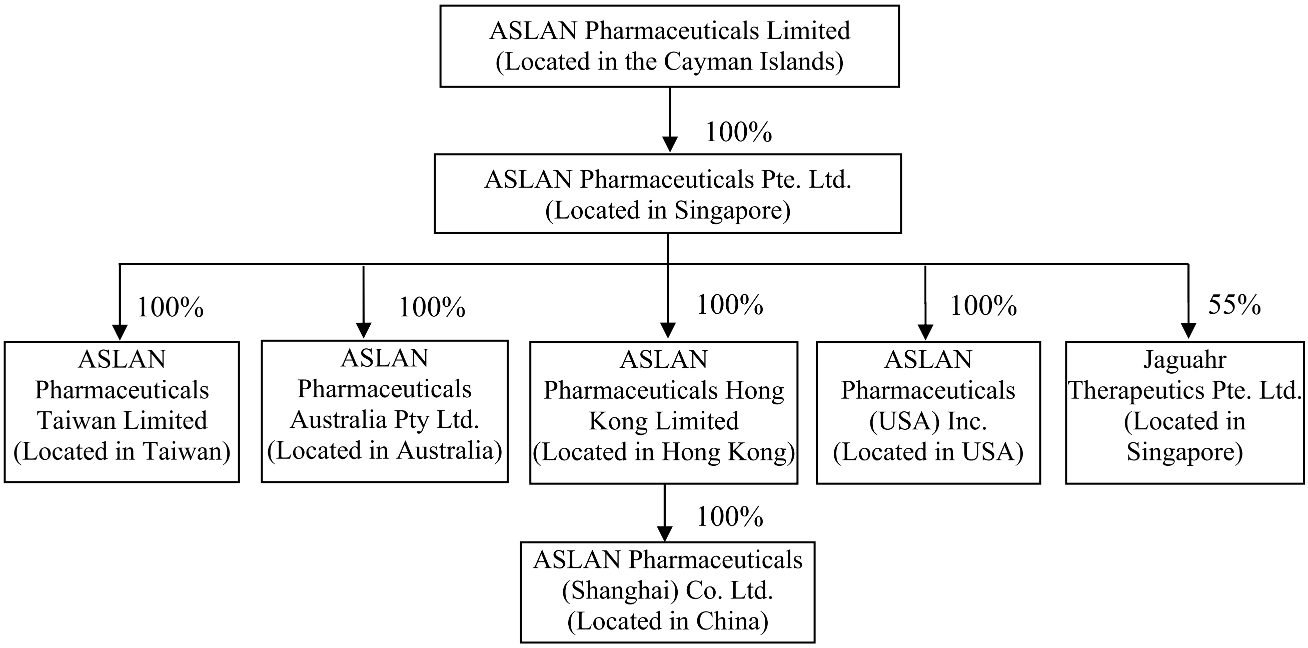
8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31,	
	2019	2018
Non-current		
Investments in equity instruments at FVTOCI		
Foreign unlisted ordinary shares	$ 3,959	$ 5,723

In July 2018, the Company acquired ordinary shares of DotBio Pte. Ltd., as detailed in Note 17 (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 Company's purpose of holding the investments. As a result, the Company elected to designate the investments in equity instruments as at FVTOCI.

9. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements



			Proportion of Ownership (%)		
			December 31		
Investor	**Investee**	**Nature of Activities**	**2019**	**2018**	**Remark**
ASLAN Pharmaceuticals Limited	ASLAN Pharmaceuticals Pte. Ltd.	Investment holding	100%	100%	
ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Taiwan Limited	New drug research and development	100%	100%	
ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Australia Pty Ltd	New drug research and development	100%	100%	
ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Hong Kong Limited	New drug research and development	100%	100%	
ASLAN Pharmaceuticals Hong Kong Limited	ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	New drug research and development	100%	100%	
ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals (USA) Inc.	New drug research and development	100%	100%	
ASLAN Pharmaceuticals Pte. Ltd.	Jaguahr Therapeutics Pte. Ltd.	New drug research and development	55%	-	1

Remarks:

1) Jaguahr Therapeutics Pte. Ltd. is a subsidiary that has material non-controlling interests. On October 15, 2019 the Company established a joint venture with Bukwang Pharmaceutical Co., Ltd., a leading research and development focused Korean pharmaceutical company, to develop antagonists of the aryl hydrocarbon receptor (AhR). The joint venture company, in which the Company currently owns a controlling stake, is called Jaguahr Therapeutics Pte. Ltd.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31 2019
Jaguahr Therapeutics Pte. Ltd.	Singapore	45%

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31 2019	Accumulated Non-controlling Interests December 31 2019
Jaguahr Therapeutics Pte. Ltd.	$ (1,529)	$ 32,172

The summarized Jaguahr Therapeutics Pte. Ltd. financial information below represents amounts before intragroup eliminations.

	December 31 2019
Current assets	$ 73,775
Non-current assets	-
Current liabilities	(2,281)
Non-current liabilities	-
Equity	$ 71,494
Equity attributable to:	
Stockholders of the parent	$ 39,322
Non-controlling interests	32,172
	$ 71,494

	For the Year Ended December 31 2019
Revenue	$ -
Loss for the year	$ (3,514)
Other comprehensive loss for the year	(1,512)
Total comprehensive loss for the year	$ (5,026)
Loss attributable to:	
Owners of Company	$ (1,985)
Non-controlling interests of Company	(1,529)
	$ (3,514)

Total comprehensive loss attributable to:

Stockholders of the parent	$ (2,816)
Non-controlling interests	(2,210)
	$ (5,026)

Net cash inflow/(outflow) from:	
Operating activities	$ (40,712)
Investing activities	-
Financing activities	76,520
Effect of foreign currency exchange differences	(1,512)
Net cash inflow	$ 34,296

10. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Other Equipment	Leasehold Improvements	Total
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
Cost				
Balance at January 1, 2019	$ 8,464	$ 1,106	$ 14,919	$ 24,489
Additions	92	-	-	92
Disposals	(2,117)	(27)	(6,778)	(8,922)
Effect of foreign currency exchange differences	(110)	(22)	(102)	(234)
Balance at December 31, 2019	$ 6,329	$ 1,057	$ 8,039	$ 15,425
Accumulated depreciation				
Balance at January 1, 2019	$ 5,444	$ 768	$ 9,462	$ 15,674
Depreciation expenses	1,616	269	3,453	5,338
Disposals	(1,552)	(16)	(4,886)	(6,454)
Effect of foreign currency exchange differences	(110)	(22)	(149)	(281)

	Office Equipment	Other Equipment	Leasehold Improvements	Total
Balance at December 31, 2019	$ 5,398	$ 999	$ 7,880	$ 14,277
Carrying amounts at December 31, 2019	$ 931	$ 58	$ 159	$ 1,148

No impairment assessment was performed for the years ended December 31, 2019 and 2018 as there was no indication of impairment.

The above items of property, plant and equipment used by the Company are depreciated on a straight-line basis over the estimated useful life of 3 years.

11. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
Carrying amounts	
Buildings	$ 21,802

	For the Year Ended December 31 2019
Additions to right-of-use assets	$ 26,439
Depreciation charge for right-of-use assets	
Buildings	$(8,266)

b. Lease liabilities - 2019

	December 31, 2019
Carrying amounts	
Current	$ 7,924
Non-current	14,702
	$ 22,626

Discount rate for lease liabilities was as follows:

	December 31, 2019
Buildings	6%

c. Material lease-in activities and terms

The Company leases office buildings with lease terms of 3 years. These arrangements do not contain purchase options at the end of the lease terms.

Certain of the office buildings leases across the Company contain extension options. These terms are used to maximize operational flexibility in terms of managing contracts. In cases in which the Company is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities. If the payments associated with the optional period are included within lease liabilities, there will be an increase in lease liabilities of $21,427 thousand as of December 31, 2019.

d. Other lease information

2019

	For the Year Ended December 31, 2019
Expenses relating to short-term leases	$ 7,760
Expenses relating to low-value asset leases	$ 228
Total cash outflow for leases	$ 16,605

The Company leases certain office buildings which qualify as short-term leases and certain office equipment which qualify as low-value asset leases. The Company has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	December 31, 2019
Lease commitments	$ 2,096

2018

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

	December 31, 2018
Not later than 1 year	$ 15,082
Later than 1 year and not later than 5 years	3,236
	$ 18,318

12. INTANGIBLE ASSETS

	Licenses	Computer Software	Total
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
Cost			
Balance at January 1, 2019	$ 705,236	$ 1,317	$ 706,553
Effect of foreign currency exchange differences	(14,116)	(26)	(14,142)
Balance at December 31, 2019	$ 691,120	$ 1,291	$ 692,411
Accumulated amortization			
Balance at January 1, 2019	$ -	$ 1,097	$ 1,097
Amortization expenses	-	134	134
Impairment losses recognized	711,763	-	711,763
Effect of foreign currency exchange differences	(20,643)	(25)	(20,668)
Balance at December 31, 2019	$ 691,120	$ 1,206	$ 692,326
Carrying amounts at December 31, 2019	$ -	$ 85	$ 85

The intangible assets, namely licenses, include the acquisitions in August 2016 of ASLAN005 from Exploit Technologies Pte Ltd. and in January 2018 of exclusive and worldwide rights to develop, manufacture and commercialize varlitinib from Array Biopharma Inc., respectively. The information related to these license agreements is further disclosed in Note 17.

As of December 31, 2018 and 2019, 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.

On July 5, 2019, the Company decided no further development plan on the licensed IP ASLAN005 from Exploit Technologies Pte Ltd. with written termination notice of Agreement for Research and Collaboration. As a result, the Company carried out a review of the recoverable amount of ASLAN005 and determined that the carrying amount US$73.4 thousand was fully impaired.

On November 11, 2019, the Company announced that the global pivotal clinical trial testing varlitinib in biliary tract cancer did not meet its primary endpoints. As a result, the Company decided to stop investing in the further development of varlitinib at this time and the estimated future cash flows expected to arise from the drug decreased. The Company carried out a review of the recoverable amount of varlitinib and determined that the carrying amount US$23,000 thousand was not recoverable.

The review led to the recognition of an impairment loss of $709,499 thousand. Though the Company may decide to conduct exploratory research in the future, no resources have been allocated for its development and there is no guarantee that resources will be allocated in the future.

The Company's intangible assets have been tested for impairment at the end of the annual reporting period and the recoverable amount is determined based on the value in use. The value in use was calculated based on the cash flow forecast. For the years ended December 31, 2018, the Company did not recognize any impairment loss on intangible assets. For the year ended December 31, 2019, the Company assessed intangible assets impairment and recognized an impairment loss of $711,763 thousand, and the recoverable amount of intangible assets was nil. Such impairment loss was recognized in other operating income and expenses.

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

13. OTHER PAYABLES

	December 31	
	2019	**2018**
Payables for salaries and bonuses	$ 31,068	$ 35,243
Payables for professional fees	27,668	20,806
Payables for cash-settled share-based payment transactions (Note 21)	22,638	20,449
Interest payables	11,771	1,541
Others	4,108	3,956
	$ 97,253	$ 81,995

14. LONG-TERM BORROWINGS

	December 31	
	2019	**2018**
Unsecured borrowings		
Loans from government	$ 220,489	$ 222,094
Other long-term borrowings	144,169	124,104
Interest payables	95,356	80,940
Loans from shareholders	51,145	-
	$ 511,159	$ 427,138
Unsecured borrowings from related parties		
Loans from related parties	$ 16,547	$ -
Interest payables	411	-
	$ 16,958	$ -

a. Loans from government

On April 27, 2011, the Singapore Economic Development Board (EDB) awarded the Company a repayable grant (the "Grant") not exceeding SGD10,000 thousand 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, 2019 and 2018, the amounts of the funds disbursed to the Company plus accrued interest were $314,073 thousand and $303,034 thousand, respectively.

b. Other long-term borrowings

CSL Finance Pty Ltd.

On May 12, 2014, ASLAN Pharmaceuticals Pte. Ltd. obtained a loan facility of US$4,500 thousand 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.

Convertible Loan Facility

On September 30, 2019, the Company entered into a loan facility with Bukwang Pharmaceutical Co., Ltd., for an amount of US$1,000 thousand (the "September 2019 Loan Facility"). The September 2019 Loan Facility has a two-year term with a 10% interest rate per annum, commencing upon the date the Company draws down on such facility. The Company has the option to repay the amounts owed at any time, subject to certain conditions.

The lender will have the right to convert, at their option, any outstanding principal amount plus accrued and unpaid interest under the loan into that number of the Company's newly issued ADSs calculated by dividing (a) such outstanding principal amount and accrued and unpaid interest under the loan by (b) 90% of the volume-weighted average price of the Company's ADSs on the date of the conversion notice. Each ADS represents five ordinary shares of the Company. The ability to convert is subject to certain conditions, including that the Company's ordinary shares will have been delisted from the TPEx, and expires at the expiry of the term of the loan.

In October 2019, the Company drew down on US$1,000 thousand under the September 2019 Loan Facility. As of December 31, 2019 and 2018, the amounts of the funds disbursed to the Company plus accrued interest were $156,438 thousand and $125,645 thousand, respectively.

October / November 2019 Loan Facility

On October 25, 2019, the Company entered into a loan facility with certain existing stockholders/directors, or affiliates thereof, and on November 11 2019 the Company entered into a related loan facility with the affiliate of another existing stockholder, for an aggregate amount of US$2,250 thousand (collectively, the "October 2019 Loan Facility"). The October/November 2019 Loan Facility has a two-year term with a 10% interest rate per annum, commencing upon the date the Company draws down the facility, which must be drawn down in full. The Company has the option to repay not less than US$1,000 thousand of the amounts owed under the October/November 2019 Loan Facilities at any time, subject to certain conditions. In the event that the Company in a single re-financing transaction raises more than ten times the aggregate loan amount prior to expiry of the term, the Company will be obligated to repay any unpaid portion of the principal amount and accrued interest thereunder within 30 days of the receipt of the proceeds from such financing transaction.

The October/November 2019 Loan Facility provides that, during the time that any amount is outstanding thereunder, the Company will not (i) incur any finance debt which is secured by a security interest or conferring repayment rights which rank in priority over those of the lenders, or (ii) carry out or implement any merger, consolidation, reorganization (other than the solvent reorganization of the Company), recapitalization, reincorporation, share dividend or other changes in the capital structure of the Company which may have a material adverse effect on the rights of the lenders, in each case except with the prior written consent of the lenders. In addition, upon an event of default (as defined in the October/November 2019 Loan Facility), the lenders may declare the principal amounts then outstanding and all interest thereon accrued and unpaid to be immediately due and payable to the lenders.

In October 2019, the company drew down on $1.95 million under the loan facilities. In connection with this initial draw down, the company issued warrants to purchase 483,448 ADSs (representing 2,417,240 ordinary shares) to certain of the lenders, at an exercise price of $2.02 per ADS. In November 2019, the company drew down on the remaining $0.3 million under the loan facilities. In connection with the second draw down, the company has committed to issue warrants to purchase 74,377 ADSs (representing 371,885 ordinary shares) to the lender at an exercise price of $2.02 per ADS.

The Warrants are exercisable only after our ordinary shares have been delisted from TPEx, and will expire on the earlier of (i) the first anniversary of such TPEx delisting or (ii) expiry of the term of the October /November 2019 Loan Facility. If, by expiry of the term of the October / November 2019 Loan Facility, (i) our shares have not been delisted from TPEx and (ii) the Warrants have not been exercised, the lenders shall be entitled to receive a further sum equal to 5% of the principal amount per annum, by way of additional interest, payable by us upon expiry of the loan term.

As of December 31, 2019, the amount of funds disbursed to the Company plus accrued interest was $69,377 thousand.

15. 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 (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.

For the years ended December 31, 2019 and 2018, the total expenses for such employee benefits in the amounts of $10,027 thousand and $12,779 thousand were recognized, respectively.

16. EQUITY

a. Ordinary shares

	December 31	
	2019	**2018**
Number of shares authorized	500,000,000	500,000,000
Shares authorized	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid	189,954,970	160,128,940
Shares issued	$ 1,899,549	$ 1,602,489

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

On January 22, 2018, ASLAN Cayman 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, ASLAN Cayman 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 (ADSs) representing shares of ordinary shares. The registration statement for listing its ADSs in the Nasdaq Global Market was declared effective by the SEC, and ASLAN Cayman 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 ASLAN Cayman's ordinary shares, which in total represents 30,000,000 ordinary shares. The offering price per ADS was $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, ASLAN Cayman's board of directors resolved to increase authorized shares to $5,000,000 thousand. which were approved in the interim shareholders' meetings on October 30, 2018.

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, ASLAN Cayman received the approval letter No.1070344286 from the FSC for issuing ordinary shares for sponsoring the issuance of American Depository Receipts.

On November 5, 2019, ASLAN Cayman received the official letter No. 1080334435 from the FSC of approval of the issuance of ordinary shares for the purpose of sponsoring the issuance of American Depository Receipts. On November 8, 2019, the Company filed the registration statement, form F-3, with the U.S. Securities and Exchange Commission (SEC) for the follow on 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 on November 8, 2019, and the Company held the initial public offering of its ADSs on December 3, 2019.

The actual units of ADSs for this offering were 5,893,206, and each ADS represents five of ASLAN Cayman's ordinary shares, which in total represents 29,466,030 ordinary shares. The offering price per ADS was $2.5, equivalent to a price per ordinary share of NT$15.24. The payment of this fundraising was fully collected as of December 6, 2019, and the record date for this capital increase was December 6, 2019.

b. Capital surplus

	December 31	
	2019	2018
Arising from issuance of new share capital	$ 3,384,852	$ 3,273,317
Arising from employee share options	195,140	196,392
Changes in percentage of ownership interests in subsidiary	42,114	-
Equity component of long-term debt (Note 14)	1,375	-
	$ 3,623,481	$ 3,469,709

c. Retained earnings and dividends policy

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

ASLAN Cayman 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 ASLAN Cayman or invested in such investments as the directors of ASLAN Cayman may from time to time think fit.
The accumulated deficits for 2018 and 2017 which were approved in the shareholders' meetings on June

20, 2019 and June 15, 2018, respectively, were as follows:

	For the Year Ended December 31	
	2018	2017
Accumulated deficits at the beginning of the year	$ (2,774,134)	$ (1,565,714)
Net loss for the year	(1,270,959)	(1,208,420)
Accumulated deficits at the end of the year	$ (4,045,093)	$ (2,774,134)

The accumulated deficits for 2019 which had been proposed by ASLAN Cayman's board of directors on March 18, 2020 were as follows:

	For the Year Ended December 31, 2019
Accumulated deficits at the beginning of the year	$ (4,045,093)
Net loss for the year	(1,450,515)
Accumulated deficits at the end of the year	$ (5,495,608)

The accumulated deficits for 2019 are subject to the resolution of the shareholders' meeting to be held on June 29, 2020.

c. Others equity items

1) Exchange differences on translating the financial statements of foreign operations:

	For the Years Ended December 31	
	2019	2018
Balance at January 1	$ (91,267)	$ (134,201)
Exchange differences on translation to the presentation currency	15,302	42,934
Balance at December 31	$ (75,965)	$ (91,267)

2) Unrealized loss on financial assets at fair value through other comprehensive income:

	For the Years Ended December 31	
	2019	2018
Balance at January 1	$ -	$ -
Unrealized loss		
Equity instruments	(1,699)	-
Balance at December 31	$ (1,699)	$ -

e. Non-controlling interests

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ -	$ -
Share in profit for the year	(1,529)	-
Other comprehensive loss during the year		
Exchange differences on translating the financial statements of foreign entities	(681)	-
Proceeds from non-controlling interest	76,496	-
Adjustments relating to changes in capital surplus of associates accounted for using the equity method	(42,114)	-
Balance at December 31	$ 32,172	$ -

17. LICENSE AGREEMENTS

Array Biopharma

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 Array's pan-HER inhibitor, ARRY-543 (which the Company refers to as ASLAN001 or *varlitinib*) *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$12,000 thousand in January 2018 and an additional payment US$11,000 thousand in June 2018, respectively, that were capitalized as a separately acquired intangible asset. In addition, the Company will be required to pay up to US$30,000 thousand if certain development milestones are achieved, US$20,000 thousand if certain regulatory milestones are achieved, and up to US$55,000 thousand 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, 2019, the Company did not accrue for the above contingent payments since the milestones are not achieved.

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. In addition, if there is a change in control, 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. Bristol-Myers Squibb retains the 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 $323,044 thousand (US$10,000 thousand) 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 $41,803 thousand (US$1,294 thousand) which was delivered in 2016. 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. Accordingly, the Company recognized the upfront payment from out-licensing and other payment from the sale of research materials, supplies, research documentation and clinical trial results, totaling $11,294,034, 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. Under the license agreement, Almirall is eligible to receive milestone payments and royalties based on the sales generated by the Company and/or sublicensees. The related cost of revenue in the amount of $2,532 thousand (US$82 thousand) payable to Almirall was recognized as operating costs accordingly.

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 May 31, 2019, pursuant to which the Company obtained an exclusive, worldwide license to certain intellectual property owned or licensed by CSL, including patents and know-how, to develop, manufacture for clinical trials and commercialize ASLAN004 for the treatment, diagnosis or prevention of diseases or conditions in humans. The Company's development under such agreement is currently focused on the treatment of respiratory and inflammatory conditions, and in particular, atopic dermatitis.

Under the amended agreement, the Company is generally obligated to use diligent efforts to develop ASLAN004 products in accordance with the development plan, to obtain marketing approvals for ASLAN004 products worldwide and to commercialize ASLAN004 products, either by itself or through sublicensees.

In consideration of the rights granted to the Company under the amended agreement, the Company will make a first payment of US$30,000 thousand to CSL upon commencement of a Phase 3 clinical trial of ASLAN004. The Company will also be required to pay up to an aggregate of US$95,000 thousand to CSL if certain regulatory milestones are achieved, up to an aggregate of US$655,000 thousand if certain sales milestones are achieved and tiered royalties on net sales of ASLAN004 products ranging between a mid-single digit percentage and 10%.

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 $8,076 thousand (US$250 thousand) from Hyundai in 2016. The Company was eligible for additional regulatory and commercial milestones payments as well as royalties on product sales.

In February 2019, the Company made a payment of $10,006 thousand (US$325 thousand) to Hyundai in order to buy back the rights to commercialize varlitinib in CCA and recorded as operating costs.

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

The Company entered into a licensing agreement with ETPL, in August 2016, to license Intellectual Property (IP) arising from a research collaboration with ETPL's P53 Laboratory. The IP focuses on generation of novel immuno-oncology antibodies targeting *recepteur d'origine nantais* ("RON") and such antibodies are referred to by the Company collectively as ASLAN005. The license fee of $2,177 thousand (SG$100 thousand) was 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 $266,160 thousand (SG$12,000 thousand) in milestone payments if certain development and commercial milestones are achieved, as well as royalties calculated based on any sales generated by the Company.

In August 2016, the Company and ETPL's P53 Laboratory entered into 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.

The agreement reacting to the research collaboration with ETPL's P53 Laboratory was terminated with effect from 3rd September 2019, but this does not affect the above license. See Note 12.

Nanyang Technological University / DotBio Pte. Ltd

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 the 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 $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 generated from 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 non-cash gain arising from the derecognition and recorded it as other income of $5,641 thousand for the nine months ended September 30, 2018, 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 Co. Ltd. ("BioGenetics") to grant exclusive rights to commercialize *varlitinib* in South Korea in exchange for an upfront payment of $61,573 thousand (US$2,000 thousand) and up to US$11,000 thousand 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 granted the license that has been transferred to BioGenetics, and BioGenetics is able to use and benefit from the license. BioGenetics is also responsible for obtaining initial and all subsequent regulatory approvals of *varlitinib* in South Korea. Since the Company has no other performance obligation in addition to the license, the Company recognized the upfront payment as revenue in February 2019.

In March 2019, the Company entered into another licensing agreement with BioGenetics to grant exclusive rights to commercialize ASLAN003 in South Korea in exchange for an upfront payment of $30,786 thousand (US$1,000 thousand) and up to US$8,000 thousand 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 granted the license that has been transferred to BioGenetics, and BioGenetics is able to use and benefit from the license. BioGenetics is also responsible for obtaining initial and all subsequent regulatory approvals of ASLAN003 in South Korea. Since the Company has no other performance obligation in addition to the license, the Company recognized the upfront payment as revenue in March 2019. Under the in-license agreement to develop ASLAN003 with Almirall, Almirall is eligible to receive a payment of 10% (ten per cent) of the proceeds from the out-licensing of ASLAN003. The related cost of revenue in the amount of $2,532 thousand (US$82 thousand) payable to Almirall was recognized as operating costs accordingly.

18. LOSS BEFORE INCOME TAX

a. Other operating income and expenses

	For the Year Ended December 31	
	2019	2018
Impairment loss recognized on intangible assets (Note 12)	$(711,763)	$ -

b. Other gains and losses

	For the Year Ended December 31	
	2019	2018
Net foreign exchange (losses) gains	$ (4,178)	$ 2,889
Loss on disposal of property, plant and equipment	(2,288)	-
Loss on lease modification	(1,990)	-
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(1,449)	1,808
Others	(207)	1,728
	$ (10,112)	$ 6,425

c. Finance costs

	For the Year Ended December 31	
	2019	2018
Interest on government loans	$ 13,440	$ 13,301
Other interest expenses	11,549	1,519
Interest on loans from shareholders	1,712	-
Interest on lease liabilities	1,112	-
	$ 27,813	$ 14,820

d. Depreciation and amortization

	For the Year Ended December 31	
	2019	2018
Right-of-use assets	$ 8,266	$ -
Property, plant and equipment	5,338	7,092
Computer software	134	192
	$ 13,738	$ 7,284

All depreciation and amortization expenses were recognized as general and administrative expenses for the years ended December 31, 2019 and 2018.

e. Employee benefits expense

	For the Year Ended December 31	
	2019	2018
Short-term benefits	$ 173,613	$ 241,085
Post-employment benefits (Note 15)	10,027	12,779
Share-based payments (Note 21)		
Equity-settled	1,319	13,589
Cash-settled	39	25,268
Total employee benefits expense	$ 184,998	$ 292,721
An analysis of employee benefits expense by function		
General and administrative expenses	$ 129,891	$ 189,639
Research and development expenses	55,107	103,082
	$ 184,998	$ 292,721

f. Employees' compensation and remuneration of directors

Under ASLAN Cayman'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, 2019 and 2018; 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 2018is available at the Market Observation Post System website of the Taiwan Stock Exchange.

19. INCOME TAXES

Income Tax Recognized in Profit or Loss

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current period	$ 14,274	$ -
Adjustments for prior periods	(1,688)	435
	$ 12,586	$ 435

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

	For the Year Ended December 31	
	2019	2018
Loss before income tax	$ (1,439,281)	$ (1,270,524)
Income tax benefit calculated at the statutory rate	$ (244,678)	$ (215,989)
Nondeductible expenses in determining taxable income	126,965	3,382
Tax credits for research and development expenditures	(76,326)	(69,663)
Unrecognized loss carryforward	184,471	279,044
Effect of different tax rates of group entities operating in other jurisdictions	9,960	3,226
Withholding tax	13,882	-
Adjustments for prior years' tax	(1,688)	435
Income tax expense recognized in profit or loss	$ 12,586	$ 435

a. Cayman Islands

ASLAN Cayman 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. and Jaguahr Therapeutics Pte. Ltd., incorporated in Singapore, are subject to the statutory corporate income tax rate of 17%. In connection with the licensing agreements with BioGenetics in February and March 2019, the Company collected upfront payments totaled US$3,000 thousand from BioGenetics in total, which was subject to withholding taxes of 15% in compliance with local regulations in South Korea. The Company therefore recognized income tax expense at an amount of $13,963 thousand (US$ 450 thousand). Except for the above, ASLAN Pharmaceuticals Pte. Ltd. and Jaguahr Therapeutics Pte. Ltd. have no taxable income for the years ended December 31, 2019 and 2018, and therefore, no other provision for income tax is required.

c. Taiwan

ASLAN Pharmaceuticals Taiwan Limited, incorporated in Taiwan.. The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings will be 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 rate of 30%. ASLAN Pharmaceuticals Australia Pty Ltd. has no taxable income for year ended December 31, 2019 and 2018, and therefore, no provision for income tax is required. A tax incentive was obtained from the Australian government on August 23, 2019 for $2,445 thousand (US$80 thousand) due to research and development activities carried out in Australia during the year 2018.

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, 2019 and 2018, 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, 2019 and 2018, and therefore, no provision for income tax is required.

g. United States of America

ASLAN Pharmaceuticals (USA) Inc., incorporated in Delaware, USA 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 years ended December 31, 2019 and 2018, and therefore, no provision for income tax is required.

20. LOSS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2019	**2018**
Basic and diluted loss per share	$ (8.93)	$ (8.49)

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	
	2019	**2018**
Loss used in the computation of basic and diluted loss per share	$ (1,450,515)	$ (1,270,959)
Weighted average number of ordinary shares in the computation of basic loss per share	162,392,602	149,739,242

If the outstanding employee share options issued by ASLAN Cayman 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 10,367,441 and

6,664,244 shares for the years end 2019 and 2018, respectively.

21. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan

Under the Company's Employee Share Option Plan, qualified employees of the company 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, 2019, there are 13,841,879 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			
	2019		2018	
	Number of Options	Weighted-average Exercise Price (US$)	Number of Options	Weighted-average Exercise Price (US$)
Balance at January 1	698,167	$ 1.28	755,833	$ 1.28
Options forfeited	(197,000)	1.28	(57,666)	1.28
Balance at December 31	501,167	1.28	698,167	1.28
Options exercisable, end of period	501,167	1.28	-	-
Weighted-average fair value of options granted (US$)	$ -		$ -	

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			
	2019		2018	
	Number of Options	Weighted-average Exercise Price (US$)	Number of Options	Weighted-average Exercise Price (US$)
Balance at January 1	6,822,523	$ 1.41	6,887,523	$ 1.41
Options forfeited	(32,167)	2.26	(5,000)	2.13
Options exercised	(120,000)	0.20	(60,000)	0.80
Balance at December 31	6,670,356	1.43	6,822,523	1.41
Options exercisable, end of	6,670,356	1.43	6,595,294	1.38

period		
Weighted-average fair value of options granted (US$)	$ -	$ -

Information on outstanding options as of December 31, 2019 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	7.7	$2.26	6.5	$1.36-$1.88	5.5	$1.36	4.5	$0.80-$1.36	3.5	$0.80	2.5	$0.20-$0.80	1.5	$0.20-$0.80	0.5

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 $1,319 thousand and $13,589 thousand for the years ended December 31, 2019 and 2018, respectively.

Long Term Incentive Plan

On July 26, 2019, July 30, 2018 and August 23, 2017, the Company's board of directors approved the 2019,2018 and 2017 Senior Management Team (SMT) Long Term Incentive Plans (the"2019 LTIP", "2018 LTIP" and "2017 LTIP", and collectively, the "LTIPs"), 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, 2019, there are 491,020 bonus entitlement units which have been granted under the 2019 LTIP by the Company. For the 491,020 units under the 2019 LTIP, they will vest in thirds each year after the first, second, and third anniversary of the award. The value of the 2019 LTIP will be linked to the ADS price. All of the 2019 LTIP granted bonus entitlement units remained outstanding as of December 31, 2019.

The Company's 2019 LTIP is described as follows:

	For the Year Ended December 31, 2019
Balance at January 1	-
Awards granted	491,020
Balance at December 31	491,020
Balance exercisable, end of period	-

As of December 31, 2019, 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.

The Company's 2018 LTIP is described as follows:

	For the Year Ended December 31	
	2019	**2018**
Balance at January 1	241,142	-
Awards granted	-	241,142
Awards exercised	(73,053)	-
Balance at December 31	168,089	241,142
Balance exercisable, end of period	56,030	-

As of December 31, 2019, 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 Company's 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	
	2019	**2018**
Balance at January 1	1,479,334	1,462,000
Awards granted	-	104,000
Awards exercised	(319,333)	(86,666)
Balance at December 31	1,160,001	1,479,334
Balance exercisable, end of period	815,000	400,667

Each bonus entitlement unit grants the holders of the the LTIPs 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 2019, 2018 and 2017 LTIPs, the respective quoted fair value of the awards on the grant date was US$2.92, US$7.90 and NT$33.45 (or US$1.10), based on the closing price per ADS on July 30, 2019, 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$2.03 and US$3.60 as of December 31, 2019 and December 31, 2018, respectively.

The Company recognized total expenses of $39 thousand and $25,268 thousand in respect of the LTIP for the years ended December 31, 2019 and 2018, respectively. As of December 31, 2019 and 2018, the Company recognized compensation liabilities of $22,638 thousand and $20,449 thousand as current (classified as other payables), respectively, and $5,537 thousand and $8,852 thousand as non-current, respectively.

22. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On October 15, 2019, the Company subscribed to additional new shares in a subsidiary at a percentage different from its existing ownership percentage, reducing its continuing interest from 100% to 55%.

The above transactions were accounted for as equity transactions, since the Company did not cease to have control over these subsidiaries.

	For the Year Ended December 31 2019
Cash consideration received (paid)	$ 76,496
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(34,382)
Difference recognized from equity transaction	$ 42,114

	For the Year Ended December 31 2019
Line items adjusted for equity transactions	
Capital surplus - changes in percentage of ownership interests in subsidiary	$ 42,114

23. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities

For the year ended December 31, 2019

			Non-cash Changes		
	Opening Balance	**Financing Cash Flows**	**New finance leases**	**Other changs**	**Closing Balance**
Lease liabilities (Note 3)	$ 9,898	($ 7,505)	$ 26,439	($ 6,438)	$ 22,394

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company 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 Company'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 Company mainly consists of borrowings and equity of the Company. Key management personnel of the Company review the capital structure periodically. In order to maintain or balance the overall capital structure, the Company may adjust the amounts of long-term borrowings, or the issuance of new shares capital or other equity instruments.

As of December 31, 2019, there were no changes in the Company's capital management policy, and the Company is not subject to any externally imposed capital requirements.

25. FINANCIAL INSTRUMENTS

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

The Company 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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

c) Level 3 inputs are unobservable inputs for an asset or liability.

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivative financial assets	$ -	$ -	$ 2,045	$ 2,045
Financial assets at fair value through other comprehensive income				
Investments in equity instruments at fair value through other comprehensive income				
Unlisted shares	$ -	$ -	$ 3,959	$ 3,959
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	$ -	$ -	$ 7,859	$ 7,859

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivative financial assets	$ -	$ -	$ 1,834	$ 1,834

Financial assets at fair value through other comprehensive income				
Investments in equity instruments at fair value through other comprehensive income				
Unlisted shares	$ -	$ 5,723	$ -	$ 5,723

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

2) Reconciliation of Level 3 fair value measurements of financial assets

For financial assets measured at Level 3, there is no other reconciliation item for the year ended December 31 2019, except for the change in fair value that is recognized in the consolidated statements of comprehensive income and the transfers into Level 3 due to significant unobservable inputs applied for the financial assets at fair value through other comprehensive income.

3) 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.

4) Valuation techniques and inputs applied for Level 3 fair value measurement
   a) 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, 2019 and 2018, respectively, the historical volatility used were 41.87% and 42.33%.

   b) The fair values of non-listed domestic and foreign equity investments were Level 3 fair value assets, and determined using the market approach by reference the Price-to-Book ratios (P/B ratios) of peer companies that traded in active market or using assets approach. At December 31, 2019, the Company used significant unobservable inputs, including discount for lack of marketability of 10%, and discounts for lack of control of 10%. At December 31, 2019, assuming all other inputs remain equal, if discount for lack of marketability increases by 1%, the fair value would decrease by NT$51 thousand; if discount for lack of control increases by 1%, the fair value would decrease by NT$51 thousand.

   c) The fair value of derivative financial instrument with warrants and convertibility right are determined using binomial evaluation method with discount rate 13.19% to14.12% assessing by market bond yield curve and risk-free rate premium. As of December 31, 2019, the historical volatility used was 92.6% during the past 1 year.

c. Categories of financial instruments

	December 31	
	2019	**2018**
Financial assets		
Financial assets at fair value through profit or loss		
Mandatorily classified as at fair value through profit or loss	$ 2,045	$ 1,834
Financial assets at amortized cost (1)	668,287	888,858
Financial assets at fair value through other comprehensive income		

Equity instruments	3,959	5,723
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Designated as at fair value through profit or loss	7,859	-
Financial liabilities at amortized cost (2)	657,862	651,159

1) The balances include financial assets at amortized cost, which comprise of cash and cash equivalents and refundable deposits.

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

d. Financial risk management objectives and policies

The Company's financial risk management objective is to monitor and manage the financial risks relating to the operations of the Company. 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 Company devoted time and resources to identify and evaluate the uncertainty of the market to mitigate risk exposures.

1) Market risk

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

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

	December 31, 2019		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollar**
Financial assets			
Monetary items			
SGD	$ 2,537	22.27	$ 56,496
GBP	999	39.50	39,478
Financial liabilities			
Monetary items			
SGD	15,117	22.27	336,699

	December 31, 2018		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollar**
Financial assets			

Monetary items			
SGD	$ 2,298	22.41	$ 51,502
<u>Financial liabilities</u>			
Monetary items			
SGD	13,516	22.41	303,034

<u>Sensitivity analysis</u>

The Company is mainly exposed to the Singapore Dollar and Great British Pound.

The following table details the Company'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	
	2019	**2018**
Profit or loss*		
SGD	$ (14,010)	$ (12,577)
GBP	1,974	-

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

The sensitivity analysis below is determined based on the Company'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 Company's pre-tax loss for the years ended December 31, 2019 and 2018 would have decreased/increased by $4,550 thousand and $3,030 thousand, 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 Company. The Company 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.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents that are deemed adequate to finance the Company'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 repayment conditions.

As the Company is in the research and development phase, the Company will be seeking future funding based on the requirements of its business operations. The Company is able to exercise discretion and flexibility to deploy its capital resources in the process of the research and development activities according to the schedule of fund raising. The Company intends to explore various means of fundraising to meet its funding requirements to carry out the business operations, such as the issuance of its ordinary shares sponsoring ADSs, domestic follow-on offering of ordinary shares offering, venture debt and shareholder loans. The Company may also use other means of financing such as out licensing to generate revenue and cash. Management believes that it currently has plans and opportunities in place which will allow to fund and meet its operating expenses and capital expenditure requirements and meet its obligations for at least the next twelve months from December 31, 2019. However, the future viability of the Company depends on its ability to raise additional capital to finance its operations.

26. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the company, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
JANK Howden Pty Ltd	Related party in substance
Others	Key Management Personnel

b. Loans from related parties

Related Party Category/Name	December 31 2019	December 31 2018
Related party in substance / JANK Howden Pty Ltd	$ 15,043	$ -
Key Management Personnel / Others	1,504	-
	$ 16,547	$ -

Interest Payable

Related Party Category/Name	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Related party in substance / JANK Howden Pty Ltd	$ 374	$ -
Key Management Personnel / Others	37	-
	$ 411	$ -

Interest expense

Related Party Category/Name	For the Year Ended December 31 2019	2018
Related party in substance / JANK Howden Pty Ltd	$ 381	$ -
Key Management Personnel / Others	38	-
	$ 419	$ -

The loans from the related parties are unsecured.

c. Compensation of Key Management Personnel

	For the Year Ended December 31 2019	2018
Short-term employee benefits	$ 90,019	$ 85,368
Post-employment benefits	3,253	4,232
Share-based payments	900	23,840
	$ 94,172	$ 113,440

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

26. 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

27. SEGMENT INFORMATION

The Company's chief operating decision maker, the chief executive officer, reviews the Company's consolidated results when making decisions about the allocation of resources and when assessing performance of the Company as a whole, and therefore, the Company has only one reportable segment. The Company 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 Company's consolidated financial statements. As the Company's long-lived assets are substantially located in and derived from Asia, no geographical segments are presented.

The following is an analysis of the Company's revenue from its major products and services.

	For the Year Ended December 31	
	2019	**2018**
Out-licensing	$ 92,359	$ -

For the year ended December 31, 2019, there was revenue generated from out-licensing of commercialization rights in South Korea to Biogenetics for *varlitinib* and ASLAN003 in the amount of US$3 million. See Note 17 for details.

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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$ 4,362 ($ 133,929)	US$ 4,208 ($ 126,057)	US$ 1,300 ($ 38,926)	6.45%	Short-term financing	$ -	Operating turnover	$ -	-	$ -	$ -	$ -	1, 2
1	ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Hong Kong Limited.	Other receivables	Yes	US$ 2,850 ($ 89,980)	US$ 2,850 ($ 85,366)	US$ 1,600 ($ 47,925)	2.00%	Short-term financing	-	Operating turnover	-	-	-	-	-	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.

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2019
(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, 2019				Note
				Shares	Carrying Amount (Note)	Percentage of Ownership (%)	Fair Value	
ASLAN Pharmaceuticals Pte. Ltd.	Shares DotBio Pte. Ltd.	-	Financial assets at FVTOCI	599,445	$ 3,959	2.51	$ 3,959	-

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, 2019
(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	116,039,360	$ 4,489,508 (US$ 149,843)	58,480,613	$ 630,134 (US$ 20,799)	-	$ -	$ -	$ -	174,519,973	$ 5,119,462 (US$170,642)

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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	$ 3,439	Note	0.49
		ASLAN Pharmaceuticals Pte. Ltd.	From parent company to subsidiary	Other payables	68	Note	0.01
1	ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Australia Pty Ltd.	Between subsidiaries	Other receivables	43,232	Note	6.18
		ASLAN Pharmaceuticals Australia Pty Ltd.	Between subsidiaries	Interest income	2,387	Note	2.58
		ASLAN Pharmaceuticals Taiwan Limited	Between subsidiaries	Other receivables	3,097	Note	0.44
		ASLAN Pharmaceuticals Taiwan Limited	Between subsidiaries	General and administrative expense	31,713	Note	34.34
		ASLAN Pharmaceuticals Hong Kong Limited	Between subsidiaries	Other receivables	51,375	Note	7.35
		ASLAN Pharmaceuticals Hong Kong Limited	Between subsidiaries	Interest income	943	Note	1.02
		ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	Between subsidiaries	Other receivables	1,695	Note	0.24
		ASLAN Pharmaceuticals (USA) Inc.	Between subsidiaries	Other receivables	30	Note	-
		Jaguahr Therapeutics Pte Ltd.	Between subsidiaries	Other receivables	389	Note	0.06
		Jaguahr Therapeutics Pte Ltd.	Between subsidiaries	Other payables	39,478	Note	5.6

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, 2019
(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, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	%	Carrying Amount			
ASLAN Pharmaceuticals Limited	ASLAN Pharmaceuticals Pte. Ltd.	Singapore	New drugs research	US$ 170,642	US$ 149,843	174,519,973	100	$ (55,931)	$ (1,373,209)	$ (1,373,209)	Subsidiary
ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Taiwan Limited	Taiwan	New drugs research	US$ 167	US$ 167	500,000	100	4,451	(3,924)	(3,924)	Subsidiary
	ASLAN Pharmaceuticals Australia Pty Ltd.	Australia	New drugs research	-	-	1	100	(38,158)	(12,331)	(12,331)	Subsidiary
	ASLAN Pharmaceuticals Hong Kong Limited	Hong Kong	New drugs research	-	-	1	100	(51,521)	(15,364)	(15,364)	Subsidiary
	ASLAN Pharmaceuticals (USA) Inc.	United States of America	New drugs research	US$ 0.1	-	1,000,000	100	(2)	(5)	(5)	Subsidiary
	Jaguahr Therapeutics Pte Ltd.	Singapore	New drugs research	US$ 1,377	-	77,000	55	39,321	(3,514)	(1,985)	Subsidiary

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(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, 2019	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of December 31, 2019	Accumulated Inward Remittance of Earnings as of December 31, 2019	Note
					Outflow	Inflow							
ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	New drugs research and development	US$ 1,600	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	$ (14,380)	100	$ (14,380)	$ (1,714)	Not applicable	Note 3

Investee	Accumulated Investment in Mainland China as of December 31, 2019	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.