ASLAN Pharmaceuticals Limited and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2020 and 2019 and Independent Auditors' Review Report

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
ASLAN Pharmaceuticals Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of ASLAN Pharmaceuticals Limited and its subsidiaries (collectively, the "Company") as of June 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended June 30, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the six months then ended June 30, 2020 and 2019, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Company as of June 30, 2020 and 2019, and of its consolidated financial performance for the three-month periods then ended June 30, 2020 and 2019, as well as of its consolidated financial performance and its consolidated cash flows for the six-month periods then ended June 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 13, 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2020 (Reviewed)		December 31, 2019 (Audited)		June 30, 2019 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 406,844	93	$ 665,050	95	$ 466,327	38
Prepayments	8,686	2	2,064	-	4,481	1
Total current assets	415,530	95	$ 667,114	95	470,808	39
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss (Notes 7 and 17)	1,736	-	2,045	-	1,859	-
Financial assets at fair value through other comprehensive income (Notes 8 and 17)	1,701	-	3,959	1	5,802	1
Property, plant and equipment (Note 10)	653	-	1,148	-	3,070	-
Right-of-use assets (Note 11)	17,505	4	21,802	3	26,709	2
Intangible assets (Notes 12 and 17)	26	-	85	-	715,076	58
Refundable deposits	3,180	1	3,237	1	4,456	-
Total non-current assets	24,801	5	32,276	5	756,972	61
TOTAL	$ 440,331	100	$ 699,390	100	$ 1,227,780	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Trade payables	$ 41,502	9	$ 56,068	8	$ 110,726	9
Other payables (Notes 13 and 21)	78,989	18	97,253	14	67,033	6
Lease liabilities - current (Note 11)	8,064	2	7,924	1	7,417	1
Total current liabilities	128,555	29	161,245	23	185,176	16
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss (Note 7)	$ 7,719	2	$ 7,859	1	$ -	-
Long-term borrowings (Notes 14 and 24)	503,720	114	511,159	73	442,313	36
Long-term borrowings from related parties (Notes 14 and 24)	17,879	4	16,958	2	-	-
Lease liabilities - non-current (Note 11)	10,355	2	14,702	2	19,404	2
Other non-current liabilities (Note 21)	7,462	2	5,537	1	10,156	1
Total non-current liabilities	547,135	124	556,215	79	471,873	39
Total liabilities	675,690	153	717,460	102	657,049	55
EQUITY (DEFICIT) ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY(Note 16)						
Ordinary shares	1,899,549	431	1,899,549	272	1,602,489	131
Capital surplus	3,623,481	823	3,623,481	518	3,472,083	282
Accumulated deficits	(5,705,527)	(1,295)	(5,495,608)	(786)	(4,425,703)	(361)
Other reserves	(75,176)	(17)	(77,664)	(12)	(78,138)	(7)
Total equity (deficit) attributable to stockholders of the Company	(257,673)	(58)	(50,242)	(8)	570,731	45
NON-CONTROLLING INTERESTS	22,314	5	32,172	6	-	-
Total equity (deficit)	(235,359)	(53)	(18,070)	(2)	570,731	45
TOTAL	$ 440,331	100	$ 699,390	100	$ 1,227,780	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 INCOME
(In Thousands of New Taiwan Dollars, Except Loss Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
SALES (Note 17)	$ -	-	$ -	-	$ -	-	$ 92,359	100
OPERATING COSTS (Note 17)	-	-	-	-	-	-	13,084	14
GROSS PROFIT	-	-	-	-	-	-	79,275	86
OPERATING EXPENSES (Notes 15, 18 and 21)								
General and administrative expenses	(53,405)	-	(58,801)	-	(83,550)	-	(128,266)	(138)
Research and development expenses	(56,101)	-	(164,593)	-	(127,259)	-	(301,578)	(327)
Total operating expenses	(109,506)	-	(223,394)	-	(210,809)	-	(429,844)	(465)
LOSS FROM OPERATIONS	(109,506)	-	(223,394)	-	(210,809)	-	(350,569)	(379)
NON-OPERATING INCOME AND EXPENSES								
Interest income	3	-	2,341	-	6	-	4,466	5
Other gains and losses (Note 18)	(2,089)	-	(4,900)	-	11,729	-	(7,350)	(8)
Finance costs (Note 18)	(10,058)	-	(6,299)	-	(20,304)	-	(12,447)	(13)
Total non-operating income and expenses	(12,144)	-	(8,858)	-	(8,569)	-	(15,331)	(16)
LOSS BEFORE INCOME TAX	(121,650)	-	(232,252)	-	(219,378)	-	(365,900)	(395)
INCOME TAX EXPENSE (Note 19)	-	-	(14,620)	-	-	-	(14,710)	(16)
NET LOSS FOR THE PERIOD	(121,650)	-	(246,872)	-	(219,378)	-	(380,610)	(411)
OTHER COMPREHENSIVE (LOSS)/INCOME (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	(1,169)	-	-	-	(2,227)	-	-	-
Exchange differences arising on translation to the presentation currency	4,892	-	4,703	-	4,316	-	13,129	14
	3,723	-	4,703	-	2,089	-	13,129	14
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	$ (117,927)	-	$ (242,169)	-	$ (217,289)	-	$ (367,481)	(397)
NET LOSS ATTRIBUTABLE TO								
Stockholders of the Company	$ (117,846)	-	$ (246,872)	-	$ (209,919)	-	$ (380,610)	(411)
Noncontrolling interests	(3,804)	-	-	-	(9,459)	-	-	-
	$ (121,650)	-	$ (246,872)	-	$ (219,378)	-	$ (380,610)	(411)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO								
Stockholders of the Company	$ (113,724)	-	$ (242,169)	-	$ (207,431)	-	$ (367,481)	(397)
Noncontrolling interests	(4,203)	-	-	-	(9,858)	-	-	-
	$ (117,927)	-	$ (242,169)	-	$ (217,289)	-	$ (367,481)	(397)
LOSS PER SHARE (Note 20)								
Basic and diluted	$ (0.62)		$ (1.54)		$ (1.11)		$ (2.38)	

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
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Company										
	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)	Non-controlling Interests (Note 16)	Total Equity
BALANCE AT JANUARY 1, 2019	160,248,940	$ 1,602,489	$3,273,3177	$ 196,392	$ -	$ 3,469,709	($ 4,045,093)	($ 91,267)	$ -	$ -	$ 935,838
Recognition of employee share options by the Company (Note 21)	-	-	-	2,374	-	2,374	-	-	-	-	2,374
Net loss for the six months ended June 30, 2019	-	-	-	-	-	-	(380,610)	-	-	-	(380,610)
Other comprehensive income for the six months ended June 30, 2019, net of income tax	-	-	-	-	-	-	-	13,129	-	-	13,129
Total comprehensive (loss) income for the six months ended June 30, 2019	-	-	-	-	-	-	(380,610)	13,129	-	-	(367,481)
BALANCE AT JUNE 30, 2019	160,248,940	$ 1,602,489	$3,273,3177	$ 198,766	$ -	$ 3,472,083	($ 4,425,703)	($ 78,138)	$ -	$ -	$ 570,731
BALANCE AT JANUARY 1, 2020	189,954,970	$ 1,899,549	$3,384,8527	$ 195,140	$ 43,489	$ 3,623,481	($ 5,495,608)	($ 75,965)	($ 1,699)	$ 32,172	($ 18,070)
Net loss for the six months ended June 30, 2020	-	-	-	-	-	-	(209,919)	-	-	(9,459)	(219,378)
Other comprehensive income (loss) for the six months ended June 30, 2020, net of income tax	-	-	-	-	-	-	-	4,715	(2,227)	(399)	2,089
Total comprehensive (loss) income for the six months ended June 30, 2020	-	-	-	-	-	-	(209,919)	4,715	(2,227)	(9,858)	(217,289)
BALANCE AT JUNE 30, 2020	189,954,970	$ 1,899,549	$3,384,8527	$ 195,140	$ 43,489	$ 3,623,481	($ 5,705,527)	($ 71,250)	($ 3,926)	$ 22,314	($ 235,359)

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
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	($ 219,378)	($ 365,900)
Adjustments for:		
Depreciation expenses	4,466	7,858
Amortization expenses	59	74
Net loss on fair value changes of financial assets at fair value through profit or loss, net	277	-
Finance costs	20,304	12,447
Interest income	(6)	(4,466)
Compensation costs of share-based payment transactions	5,003	4,814
(Gain) Loss on disposal of property, plant and equipment	(11)	2,183
Unrealized (gain) loss on foreign exchange, net	(11,687)	2,527
Loss on lease modification	-	1,990
Changes in operating assets and liabilities		
(Increase) Decrease in prepayments	(6,780)	1,208
Decrease in trade payables	(13,822)	(53,953)
Decrease in other payables	(24,922)	(22,643)
Cash used in operations	(246,497)	(413,861)
Interest received	6	4,466
Interest paid	(603)	(369)
Income tax paid	-	(14,710)
Net cash used in operating activities	(247,094)	(424,474)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	-	(93)
Proceeds from disposal of property, plant and equipment	11	102
Increase in refundable deposits	-	(1,027)
Net cash generate from (used in) investing activities	11	(1,018)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(3,876)	(4,165)
Net cash used in financing activities	(3,876)	(4,165)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(7,247)	12,386

	For the Six Months Ended June 30	
	2020	2019
NET DECREASE IN CASH AND CASH EQUIVALENTS	($ 258,206)	($ 417,271)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	665,050	883,598
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 406,844	$ 466,327

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

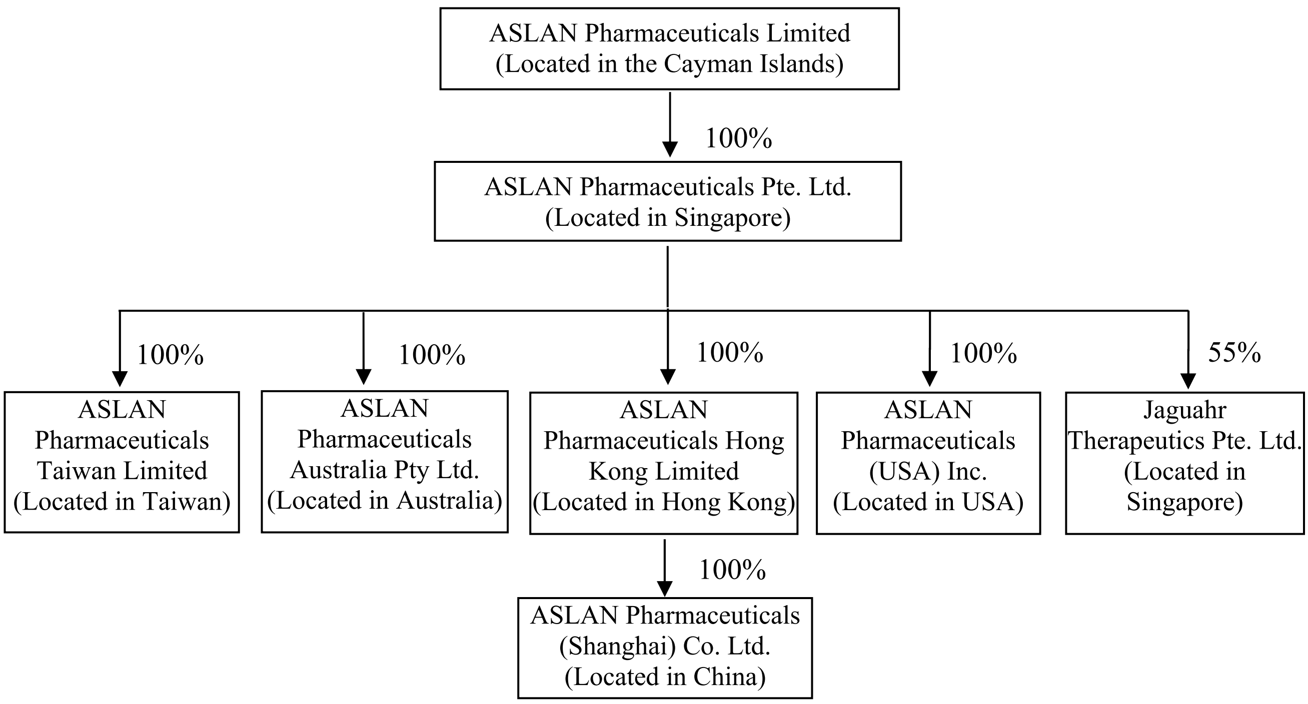
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 innovative immunology and oncology drugs.

The main businesses and intragroup relationships of the Company were as follows as of June 30, 2020:

Name	Place of Incorporation	Date of Incorporation	Main Business
ASLAN Pharmaceuticals Limited	Cayman Islands	June 2014	Investment holding
ASLAN Pharmaceuticals Pte. Ltd.	Singapore	April 2010	New drug research and development
ASLAN Pharmaceuticals Taiwan Limited	Taiwan	November 2013	New drug research and development
ASLAN Pharmaceuticals Australia Pty Ltd.	Australia	July 2014	New drug research and development
ASLAN Pharmaceuticals Hong Kong Limited	Hong Kong	July 2015	New drug research and development
ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	China	May 2016	New drug research and development
ASLAN Pharmaceuticals (USA) Inc.	United States of America	October 2018	New drug research and development
Jaguahr Therapeutics Pte. Ltd.	Singapore	August 2019	New drug research and development



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.

In addition to its main product candidates, the Company has other earlier stage products candidates in development. 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.

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 board of directors on July 13, 2020.

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

a. Initial application of the amendments to 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)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018–2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
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
Amendment to IFRS 16 "Covid-19-Related Rent Concessions"	June 1, 2020 (Note 6)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts–Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

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

Note 2: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable 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, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: A lessee should apply the amendments for annual reporting periods beginning on or after June 1, 2020, recognizing the cumulative effect of initial application on June 1, 2020.

Except for the above impact, 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

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of preparation

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

c. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. 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.

See Tables 4 and 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Refer to the summary of significant accounting policies for the consolidated financial statements for the year ended December 31, 2019, unless otherwise stated below.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

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, estimations, 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.

For the critical accounting judgments and key sources of estimation uncertainty and assumption applied in these consolidated financial statements, refer to the consolidated financial statements for the year ended December 31, 2019.

6. CASH AND CASH EQUIVALENTS

	June 30, 2020	December 31, 2019	June 30, 2019
Cash on hand	$ 50	$ 52	$ 53
Deposits in banks	406,794	664,998	466,274
	$ 406,844	$ 665,050	$ 466,327

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 changes in value.

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

	June 30, 2020	December 31, 2019	June 30, 2019
Time deposits	-	-	0% - 2.83%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2020	December 31, 2019	June 30, 2019
Financial assets at fair value through profit or loss (FVTPL) - Non-current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets - warrants (a)	$ 111	$ 390	$ 1,859
Derivative financial assets - pre-redemption right (b)	1,625	1,655	-

	$ 1,736	$ 2,045	$ 1,859

Financial liabilities at fair value through profit or loss (FVTPL) - Non-current			
Financial liabilities at FVTPL			
Derivative financial liabilities - conversion right (c)	$ 7,719	$ 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

	June 30, 2020	December 31, 2019	June 30, 2019
Non-current			
Investments in equity instruments at FVTOCI			
Foreign unlisted ordinary shares	$ 1,701	$ 3,959	$ 5,802

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. DETAILS OF SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

There is no material change related to non-controlling interests for the six months ended June 30, 2020. For related information, please refer to Note 9 of consolidated financial statements for the year ended December 31, 2019.

10. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Other Equipment	Leasehold Improvements	Total
Cost				
Balance at January 1, 2019	$ 8,464	$ 1,106	$ 14,919	$ 24,489
Additions	93	-	-	93
Disposals	(1,581)	(28)	(6,805)	(8,414)
Effect of foreign currency exchange differences	115	15	201	331
Balance at June 30, 2019	$ 7,091	$ 1,093	$ 8,315	$ 16,499

Accumulated depreciation				
Balance at January 1, 2019	$ 5,444	$ 768	$ 9,462	$ 15,674
Depreciation expenses	995	156	2,519	3,670
Disposals	(1,208)	(15)	(4,906)	(6,129)
Effect of foreign currency exchange differences	75	10	129	214
Balance at June 30, 2019	$ 5,306	$ 919	$ 7,204	$ 13,429
Carrying amounts at January 1, 2019	$ 3,020	$ 338	$ 5,457	$ 8,815
Carrying amounts at June 30, 2019	$ 1,785	$ 174	$ 1,111	$ 3,070

	Office Equipment	Other Equipment	Leasehold Improvements	Total
Cost				
Balance at January 1, 2020	$ 6,329	$ 1,057	$ 8,039	$ 15,425
Disposals	(84)	-	-	(84)
Effect of foreign currency exchange differences	(110)	(19)	(142)	(271)
Balance at June 30, 2020	$ 6,135	$ 1,038	$ 7,897	$ 15,070
Accumulated depreciation				
Balance at January 1, 2020	$ 5,398	$ 999	$ 7,880	$ 14,277
Depreciation expenses	376	39	68	483
Disposals	(84)	-	-	(84)
Effect of foreign currency exchange differences	(100)	(18)	(141)	(259)
Balance at June 30, 2020	$ 5,590	$ 1,020	$ 7,807	$ 14,417
Carrying amounts at January 1, 2020	$ 931	$ 58	$ 159	$ 1,148
Carrying amounts at June 30, 2020	$ 545	$ 18	$ 90	$ 653

No impairment assessment was performed for the six months ended June 30, 2020 and 2019 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

	June 30, 2020	December 31, 2019	June 30, 2019
Carrying amounts			
Buildings	$ 17,505	$ 21,802	$ 26,709

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Depreciation charge for right-of-use assets				
Buildings	$ 1,967	$ 2,441	$ 3,983	$ 4,188

b. Lease liabilities

	June 30, 2020	December 31, 2019	June 30, 2019
Carrying amounts			
Current	$ 8,064	$ 7,924	$ 7,417
Non-current	10,355	14,702	19,404
	$ 18,419	$ 22,626	$ 26,821

Discount rate for lease liabilities was as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Buildings	6%	6%	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 $20.9 million as of June 30, 2020.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Expenses relating to short-term leases	$ 1,038	$ 2,502	$ 2,090	$ 5,587
Expenses relating to low-value asset leases	$ 22	$ 8	$ 53	$ 19
Total cash outflow for leases	$ 3,241	$ 5,134	$ 6,622	$ 10,140

The Company leases certain office buildings which qualify as short-term leases and certain office equipment which qualifies 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:

	June 30, 2020	December 31, 2019	June 30, 2019
Lease commitments	$ 2,055	$ 2,096	$ 4,066

12. INTANGIBLE ASSETS

	Licenses	Computer Software	Total
Cost			
Balance at January 1, 2019	$ 705,236	$ 1,317	$ 706,553
Effect of foreign currency exchange differences	9,691	18	9,709
Balance at June 30, 2019	$ 714,927	$ 1,335	$ 716,262
Accumulated amortization			
Balance at January 1, 2019	$ -	$ 1,097	$ 1,097
Amortization expenses	-	74	74
Effect of foreign currency exchange differences	-	15	15
Balance at June 30, 2019	$ -	$ 1,186	$ 1,186
Carrying amounts at January 1, 2019	$ 705,236	$ 220	$ 705,456
Carrying amounts at June 30, 2019	$ 714,927	$ 149	$ 715,076
Cost			
Balance at January 1, 2020	$ 691,120	$ 1,291	$ 692,411
Effect of foreign currency exchange differences	(12,235)	(23)	(12,258)
Balance at June 30, 2020	$ 678,885	$ 1,268	$ 680,153
Accumulated amortization and impairment			
Balance at January 1, 2020	$ 691,120	$ 1,206	$ 692,326
Amortization expenses	-	59	59
Effect of foreign currency exchange differences	(12,235)	(23)	(12,258)
Balance at June 30, 2020	$ 678,885	$ 1,242	$ 680,127
Carrying amounts at January 1, 2020	$ -	$ 85	$ 85
Carrying amounts at June 30, 2020	$ -	$ 26	$ 26

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 June 30, 2020, December 31, 2019 and June 30, 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 not to engage in further development of the licensed IP ASLAN005 from Exploit Technologies Pte Ltd. The agreement relating to the research collaboration with ETPL's P53 Laboratory was terminated with effect from 3rd September 2019. As a result, the Company carried out a review of the recoverable amount of ASLAN005 and determined that the carrying amount of $2.3 million (US$73,400) was fully impaired for the year ended December 31, 2019.

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 of $709.5 million (US$23 million) was not recoverable. The review led to the recognition of an impairment loss of $709.5 million (US$23 million) for the year ended December 31, 2019.

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.

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

13. OTHER PAYABLES

	June 30, 2020	December 31, 2019	June 30, 2019
Payables for cash-settled share-based payment transactions (Note 21)	$ 26,049	$ 22,638	$ 21,703
Payables for salaries and bonuses	19,167	31,068	19,154
Interest payables	16,602	11,771	6,869
Payables for professional fees	14,029	27,668	16,612
Others	3,142	4,108	2,695
	$ 78,989	$ 97,253	$ 67,033

14. LONG-TERM BORROWINGS

	June 30, 2020	December 31, 2019	June 30, 2019
Unsecured borrowings			
Loans from government	$ 208,594	$ 220,489	$ 227,015
Other long-term borrowings	143,130	144,169	125,810
Interest payables	101,809	95,356	89,488
Loans from shareholders	50,187	51,145	-
	$ 503,720	$ 511,159	$ 442,313
Unsecured borrowings from related parties			
Loans from related parties	$ 16,237	$ 16,547	$ -
Interest payables	1,642	411	-
	$ 17,879	$ 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 million to support the Company’s drug development activities over a five-year qualifying period commencing February 24, 2011 (the “Project”). The Project was successfully implemented, resulting in substantially the full amount of the Grant being disbursed to the Company.
In the event any of the Company’s clinical product candidates achieve commercial approval after Phase 3 clinical trials, the Company will be required to repay the funds disbursed to the Company under the Grant plus interest of 6%. Until the Company has fulfilled its repayment obligations under the Grant, the Company has ongoing update and reporting obligations to the EDB. In the event the Company breaches any of its ongoing obligations under the Grant, EDB can revoke the Grant and demand that the Company repay the funds disbursed to the Company under the Grant.

As of June 30, 2020, December 31, 2019 and June 30, 2019, the amounts of funds disbursed to the Company plus accrued interest were $303.3 million, $314.1 million and $316.5 million, respectively.

b. Other long-term borrowings

CSL Finance Pty Ltd.

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

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

As of June 30, 2020, December 31, 2019 and June 30, 2019, the aggregate carrying amount including principal and accrued interest outstanding under CSL Loan Facility were $136.1 million, $133.4 million and $132.7 million, respectively.

Convertible Loan Facility

On September 30, 2019, the Company entered into a loan facility with Bukwang Pharmaceutical Co., Ltd., for an amount of US$1.0 million (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 the expiry of the term of the loan.

In October 2019, the Company drew down on US$1.0 million under the September 2019 Loan Facility.

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$2.25 million (collectively, the "October/November 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$1.0 million 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 re-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 US$1.95 million under the loan facilities. In connection with this initial draw down, the Company issued warrants (collectively referred to as the "Warrants") to purchase 483,448 ADSs (representing 2,417,240 ordinary shares) to certain of the lenders, at an exercise price of US$2.02 per ADS. In November 2019, the Company drew down on the remaining US$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 US$2.02 per ADS.

The Warrants are exercisable only after the Company's 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) the Company's 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 the Company's upon expiry of the loan term.

As of June 30, 2020, December 31, 2019 and June 30, 2019, the aggregate carrying amount including principal and accrued interest outstanding under the Convertible Loan Facility and the October/November 2019 Loan Facility were $98.8 million, $92.4 million and nil, respectively.

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 three months ended June 30, 2020 and 2019 and the six months ended June 30, 2020 and 2019, the total expenses for such employee benefits in the amount of $1.4 million, $2.4 million, $3.7 million and $6.3 million were recognized, respectively.

16. EQUITY

a. Ordinary shares

	June 30, 2020	December 31, 2019	June 30, 2019
Number of shares authorized	500,000,000	500,000,000	500,000,000
Shares authorized	$ 5,000,000	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid	189,954, 970	189,954,970	160,248,940
Shares issued	$ 1,899,549	$ 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 million, 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 US$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

	June 30, 2020	December 31, 2019	June 30, 2019
Arising from issuance of new share capital	$ 3,384,852	$ 3,384,852	$ 3,273,317
Arising from employee share options	195,140	195,140	198,766
Changes in percentage of ownership interests in subsidiary	42,114	42,114	-
Equity component of long-term debt (Note 14)	1,375	1,375	-
	$ 3,623,481	$ 3,623,481	$ 3,472,083

c. Retained earnings and dividend 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 2019 and 2018 that were approved in the shareholders' meetings on June 29, 2020 and June 21, 2019, respectively, were as follows:

	For the Year Ended December 31	
	2019	2018
Accumulated deficits at the beginning of the year	$(4,045,093)	$ (2,774,134)
Net loss for the year	(1,450,515)	(1,270,959)
Accumulated deficits at the end of the year	$ (5,495,608)	$ (4,045,093)

d. Other reserves items

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

	For the Six Months Ended June 30	
	2020	2019
Balance at January 1	$ (75,965)	$ (91,267)
Exchange differences on translation to the presentation currency	4,715	13,129
Balance at June 30	$ (71,250)	$ (78,138)

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

	For the Six Months Ended June 30	
	2020	2019
Balance at January 1	$ (1,699)	$ -
Unrealized loss		
Equity instruments	(2,227)	-
Balance at June 30	$ (3,926)	$ -

e. Non-controlling interests

	For the Six Months Ended June 30	
	2020	2019
Balance at January 1	$ 32,172	$ -
Share in profit for the period	(9,459)	-
Other comprehensive loss during the period		
Exchange differences on translating the financial statements of foreign entities	(399)	-
Balance at June 30	$ 22,314	$ -

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 million in January 2018 and an additional payment US$11 million 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 million if certain development milestones are achieved, US$20 million if certain regulatory milestones are achieved, and up to US$55 million if certain commercial milestones are achieved. The Company is also required to pay Array tiered royalties in the low tens on net sales of *varlitinib*. The royalty obligations will continue on a country-by-country basis through the later of the expiration of the last valid patent claim for *varlitinib* or ten years after the first commercial sale of *varlitinib* in a given country. As of June 30, 2020, 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, nonexclusive 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.

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 million was not recoverable. See Note 12.

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 million (US$10 million) in 2016. The Company is eligible to receive additional payments upon Bristol-Myers Squibb's achievement of development and regulatory milestones in the future. Furthermore, the Company is eligible to receive royalty payments on future worldwide sales generated by Bristol-Myers Squibb. Bristol-Myers Squibb also purchased the related research materials, supplies, research documentation and clinical trial results that are used for further developing ASLAN002 from the Company in the amount of $42 million (US$1,294,034) 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 $365 million (US$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.

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 million 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 million to CSL if certain regulatory milestones are achieved and as of June 30, 2020, milestone has not been met, up to an aggregate of US$655 million if certain sales milestones are achieved and tiered royalties on net sales of ASLAN004 products ranging between a mid-single digit percentage and 10%. As of June 30, 2020, the aforementioned milestones have not been met.

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 million (US$250,000) from Hyundai in 2016. As there was no performance obligation required for the Company, the payment was recognized as revenue, and the related cost of revenue in the amount of US$125,000 paid to one of the third parties with whom the Company has a licensing agreement as part of the payment for the proceeds from out-licensing was recognized as cost of revenue, for the year ended December 31, 2016. The Company 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 million (US$325,000) to Hyundai in order to buy back the rights to commercialize varlitinib in CCA.

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 million (SGD100,000) 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 million (SGD12 million) 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.
On July 5, 2019, the Company decided not to engage in further development of the licensed IP ASLAN005

from Exploit Technologies Pte Ltd. The agreement relating to the research collaboration with ETPL's P53 Laboratory was terminated with effect from 3rd September 2019. As a result, the Company carried out a review of the recoverable amount of ASLAN005 and determined that the carrying amount US$73,400 was fully impaired. 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 SGD255,000 (see Note 8), together with 599,445 units of warrant to subscribe for the same number of shares at a subscription price of US$0.32 which was the same value per share as applied to other new investors in this round (see Note 7); in addition, the Company also retained a right of first refusal to take an exclusive license for any modybodies produced by DotBio Pte. Ltd. that are based on the work 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 $6 million for the year ended December 31, 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 to grant exclusive rights to commercialize *varlitinib* in South Korea in exchange for an upfront payment of $62 million (US$2 million) and up to US$11 million in sales and development milestone payments. The Company is also eligible to receive tiered double digit royalties on net sales up to the mid-twenties. The Company has no other performance obligation in addition to the license, and BioGenetics will be 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 $31 million (US$1 million) and up to US$8 million in sales and development milestone payments. The Company is also eligible to receive tiered double digit royalties on net sales from the high-teens to the mid-twenties range. The Company has no other performance obligation in addition to the license, and BioGenetics will be 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 $3 million (US$82,259) payment to Almirall was recognized as operating costs accordingly.

18. LOSS BEFORE INCOME TAX

a. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Net foreign exchange (losses) gains	$ (4,453)	$ (875)	$ 9,089	$ (3,434)
(Loss) Gain on disposal of property, plant and equipment	-	(2,053)	11	(2,183)
Net loss on fair value changes of financial assets at fair value through profit or loss	(448)	-	(277)	-
Loss on lease modification	-	(1,990)	-	(1,990)
Others	2,812	18	2,906	257
	$ (2,089)	$ (4,900)	$ 11,729	$ (7,350)

b. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Other interest expenses	$ 4,120	$ 3,393	$ 8,213	$ 6,774
Interest on government loans	3,119	2,668	6,403	5,304
Interest on loans from shareholders	2,540	-	5,085	-
Interest on lease liabilities	279	238	603	369
	$ 10,058	$ 6,299	$ 20,304	$ 12,447

c. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Right-of-use assets	$ 1,967	$ 2,441	$ 3,983	$ 4,188
Property, plant and equipment	223	1,827	483	3,670
Computer software	29	31	59	74
	$ 2,219	$ 4,299	$ 4,525	$ 7,932

All depreciation and amortization expenses are recorded as general and administrative expenses for the six months ended June 30, 2020 and 2019.

d. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Short-term benefits	$ 31,930	$ 35,970	$ 61,195	$ 85,709
Post-employment benefits (Note 15)	1,431	2,382	3,707	6,297
Share-based payments (Note 21)				
Equity-settled	-	1,854	-	2,374
Cash-settled	16,279	(5,851)	5,003	2,440

Total employee benefits expense	$ 49,640	$ 34,355	$ 69,905	$ 96,820
An analysis of employee benefits expense by function				
General and administrative expenses	$ 43,284	$ 22,669	$ 60,376	$ 69,467
Research and development expenses	6,356	11,686	9,529	27,353
	$ 49,640	$ 34,355	$ 69,905	$ 96,820

e. 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 six months ended June 30, 2020 and 2019; 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 2020 and 2019 is 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 Three Months Ended June 30		For the Six Months Ended June 30	
	2020	**2019**	**2020**	**2019**
Current tax				
In respect of the current period	$ -	$ 14,620	$ -	$ 14,710

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%.

Since ASLAN Pharmaceuticals Pte. Ltd. entered into a licensing agreement with BioGenetics, ASLAN Pharmaceuticals Pte. Ltd collected upfront payments of US$2 million in March 2019 and US$1 million in April 2019, respectively, from BioGenetics, and was subject to withholding taxes at a 15% withholding tax rate in compliance with local regulation in South Korea. The Company hence recognized income tax expense at an amount of $13.9 million (US$0.45 million).

ASLAN Pharmaceuticals Pte. Ltd. and Jaguahr Therapeutics Pte. Ltd. have no taxable income for the six months ended June 30, 2020, and therefore, no provision for income tax is required.

c. Taiwan

ASLAN Pharmaceuticals Taiwan Limited, incorporated in Taiwan, is subject to the statutory corporate income tax rate of 20% and the corporate surtax rate of 5%.

The income tax returns through 2018 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 the six months ended June 30, 2020 and 2019, and therefore, no provision for income tax is required.

e. Hong Kong

ASLAN Pharmaceuticals Hong Kong Limited, incorporated in Hong Kong, is subject to the statutory corporate income tax rate 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 six months ended June 30, 2020 and 2019, 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 six months ended June 30, 2020 and 2019, 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 six months ended June 30, 2020 and 2019, and therefore, no provision for income tax is required.

20. LOSS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Basic and diluted loss per share	$ (0.62)	$ (1.54)	$ (1.11)	$ (2.38)

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Loss used in the computation of loss per share	$ (117,846)	$ (246,872)	$ (209,919)	$ (380,610)
Weighted average number of ordinary shares used in the computation of loss per share	189,954,970	160,248,940	189,954,970	160,248,940

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 8,179,975 and 2,370,640 shares for the six months ended 2020 and 2019, respectively.

21. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan

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

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

As of June 30, 2020, 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 Six Months Ended June 30			
	2020		2019	
	Number of Options	Weighted-average Exercise Price (US$)	Number of Options	Weighted-average Exercise Price (US$)
Balance at January 1	501,167	$ 1.28	698,167	$ 1.28
Options forfeited	-	-	(67,000)	1.28
Balance at June 30	501,167	1.28	631,167	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 Six Months Ended June 30			
	2020		2019	
	Number of Options	Weighted-average Exercise Price (US$)	Number of Options	Weighted-average Exercise Price (US$)
Balance at January 1	6,670,356	$ 1.43	6,822,523	$ 1.41
Options forfeited	-	-	(32,167)	2.26
Balance at June 30	6,670,356	1.43	6,790,356	1.41
Options exercisable, end of period	6,670,356	1.43	6,595,294	1.38
Weighted-average fair value of options granted (US$)	$ -		$ -	

Information on outstanding options as of June 30, 2020 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	7.2	$2.26	6	$1.36-$1.88	5	$1.36	4	$0.80-$1.36	3	$0.80	2	$0.20-$0.80	1	$0.20-$0.80	0

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 nil, $1.9 million, nil and $2.4 million for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019, 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 June 30, 2020, 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 June 30, 2020.

The Company's 2019 LTIP is described as follows:

	For the Six Months Ended June 30	
	2020	**2019**
Balance at January 1	491,020	-
Awards forfeited	(104,070)	-
Balance at June 30	386,950	-
Balance exercisable, end of period	-	-

As of June 30, 2020, there are 241,142 bonus entitlement units which have been granted under the 2018 LTIP by the Company. For the 241,142 units under the 2018 LTIP, they will vest in thirds each year after the first, second, and third anniversary of the award. The value of the 2018 LTIP will be linked to the ADS price. All of the 2018 LTIP granted bonus entitlement units remained outstanding as of June 30, 2020.

The Company's 2018 LTIP is described as follows:

	For the Six Months Ended June 30	
	2020	**2019**
Balance at January 1	168,089	241,142
Awards forfeited	(38,466)	(38,141)
Balance at June 30	129,623	203,001
Balance exercisable, end of period	56,030	-

As of June 30, 2020, there are 1,566,000 bonus entitlement units which have been granted under the 2017 LTIP by the Company. For the 1,462,000 units under the 2017 LTIP which were granted in 2017, they will vest in thirds each year after the first, second, and third anniversary of the award, and for the 104,000 units under the 2017 LTIP which were granted in 2018, they will vest in halves each year after the second and third anniversary of the award.

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

The Company's 2017 LTIP is described as follows:

	For the Six Months Ended June 30	
	2020	**2019**
Balance at January 1	1,160,001	1,479,334
Awards forfeited	(253,000)	(164,667)
Balance at June 30	907,001	1,314,667
Balance exercisable, end of period	867,000	487,333

Each bonus entitlement unit grants the holders of 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 $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, US$2.03 and US$3.07 as of June 30, 2020, December 31, 2019 and June 30, 2019, respectively.

The Company recognized (reversed) the following total expenses in respect of the LTIP, $16.3 million for the three months ended June 30, 2020, $(5.9 million) for the three months ended June 30, 2019, $5.0 million for the six months ended June 30, 2020 and $2.4 million for the six months ended June 30, 2019. As of June 30, 2020, December 31, 2019 and June 30, 2019, the Company recognized compensation liabilities of $26.0 million , $22.6 million and $21.7 million as current (classified as other payables), respectively, and $7.5 million, $5.5 million and $10.2 million as non-current, respectively.

22. 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 June 30, 2020, there was no changes in the Company's capital management policy, and the Company is not subject to any externally imposed capital requirements.

23. 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

June 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivative financial assets	$ -	$ -	$ 1,736	$ 1,736
Financial assets at fair value through other comprehensive income				
Investments in equity instruments at fair value through other comprehensive income				
Unlisted shares	$ -	$ -	$ 1,701	$ 1,701
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	$ -	$ -	$ 7,719	$ 7,719

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

June 30, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivative financial assets	$ -	$ -	$ 1,859	$ 1,859
Financial assets at fair value through other comprehensive income				
Investments in equity instruments at fair value through other comprehensive income				
Unlisted shares	$ -	$ 5,802	$ -	$ 5,802
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	$ -	$ -	$ -	$ -

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

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

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

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

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 June 30, 2020, December 31, 2019 and June 30, 2019, the historical volatility used was 84.63%, 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 June 30, 2020, the Company used significant unobservable inputs, including discount for lack of marketability of 10%, and discounts for lack of control of 10%. At June 30, 2020, assuming all other inputs remain equal, if discount for lack of marketability increases by 1%, the fair value would decrease by NT$ 21,273; if discount for lack of control increases by 1%, the fair value would decrease by NT$ 21,273.

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 June 30, 2020, the historical volatility used was 92.6% during the past 1 year.

c. Categories of financial instruments

	June 30, 2020	December 31, 2019	June 30, 2019
Financial assets			
Financial assets at fair value through profit or loss			
Derivative financial assets	$ 1,736	$ 2,045	$ 1,859
Financial assets at amortized cost (1)	410,024	668,287	470,783
Financial assets at fair value through other comprehensive income			
Equity instruments	1,701	3,959	5,802
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities	7,719	7,859	-
Financial liabilities at amortized cost (2)	616,042	657,862	598,369

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:

	June 30, 2020		
	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
SGD	$ 1,497	21.09	$ 31,582

	June 30, 2020		
	Foreign Currencies	Exchange Rate	Carrying Amount
GBP	690	36.27	25,023
Financial liabilities			
Monetary items			
SGD	15,497	21.09	326,895

	December 31, 2019		
	Foreign Currencies	Exchange Rate	Carrying Amount
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

	June 30, 2019		
	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
SGD	$ 1,344	22.92	$ 30,791
Financial liabilities			
Monetary items			
SGD	14,981	22.92	343,324

Sensitivity analysis

The Company is mainly exposed to the Singapore Dollar and 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 Six Months Ended June 30	
	2020	2019
Profit or loss*		
SGD	$ (14,766)	$ (15,627)
GBP	1,251	-

* 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 fixed interest rates.

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 six months ended June 30, 2020 and 2019 would have decreased/increased by $2.2 million and $2.4 million, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the 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 June 30, 2020. However, the future viability of the Company depends on its ability to raise additional capital to finance its operations.

24. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the companies 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	June 30, 2020	December 31, 2019	June 30, 2019
Related party in substance / JANK Howden Pty Ltd	$ 14,761	$ 15,043	$ -
Key Management Personnel / Others	1,476	1,504	-
	$ 16,237	$ 16,547	$ -

Interest Payable

Related Party Category/Name	June 30, 2020	December 31, 2019	June 30, 2019
Related party in substance / JANK Howden Pty Ltd	$ 1,493	$ 374	$ -
Key Management Personnel / Others	149	37	-
	$ 1,642	$ 411	$ -

Interest expense

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Related party in substance / JANK Howden Pty Ltd	$ 565	$ -	$ 1,130	$ -
Key Management Personnel / Others	56	-	113	-
	$ 621	$ -	$ 1,243	$ -

The loans from the related parties are unsecured.

c. Compensation of Key Management Personnel

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Short-term employee benefits	$ 13,069	$ 18,032	$ 27,799	$ 35,048
Post-employment benefits	646	892	1,296	1,774
Share-based payments	16,279	(5,417)	5,003	3,299
	$ 29,994	$ 13,507	$ 34,098	$ 40,121

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

25. OTHER ITEMS

a. The Company announced that recruitment of new patients into its randomised, double-blind, placebo-controlled multiple ascending dose (MAD) study of ASLAN004 in moderate to severe atopic dermatitis has been paused in light of recently imposed government restrictions in Singapore to contain the spread of the coronavirus disease (COVID-19). The Company intends to resume screening of new patients as soon as these restrictions are lifted.

b. According to Art.12-2 of Taipei Exchange Rules Governing Securities Trading on the Taipei Exchange, or TPEx (the "Rules"), paragraph 1, subparagraph 4 – "Where the financial report for the most recent period that is publicly announced and filed under Article 36 of the Securities and Exchange Act shows a negative net worth" and Subparagraph 7 – "Where the company's operation is completely suspended for more than 6 months or for 6 continuous months the publicly announced operating revenue is zero or negative", TPEx may terminate the trading of the Company's securities and report the termination to the competent authority of Taiwan for recordation. If TPEx terminates the trading of the Company's securities as above, the listing of the Company's American Depositary Shares, or ADS, in the US will be wholly unaffected and the ADS will continue to trade on NASDAQ as before.

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 investments in subsidiaries, associates and joint ventures): Table 2

4) Marketable securities acquired and disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital: None

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

6) Disposals 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: Notes 7, 14, 17 and 23

10) Intercompany relationships and significant intercompany transactions: Table 3

11) Information on investees: Table 4

b. Information on investments in mainland China: Table 5

c. Information of major shareholders：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 Three Months Ended June 30		For the Six Months Ended June 30	
	2020	**2019**	**2020**	**2019**
Out-licensing	$ -	$ -	$ -	$ 92,359

For the six months ended June 30, 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 SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (In Thousands)	Ending Balance (In Thousands)	Actual Borrowing Amount (In Thousands)	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$ 4,208 ($ 126,057)	US$ 4,127 ($ 121,417)	US$ 1,900 ($ 55,890)	3.76%-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 ($ 86,334)	US$ 2,850 ($ 83,855)	US$ 1,600 ($ 47,077)	2.00%	Short-term financing	-	Operating turnover	-	-	-	-	-	1, 2

Note 1: Restriction on loan amount

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

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

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

TABLE 2

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2020
(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	June 30, 2020				Note
				Shares	Carrying Amount (Note)	Percentage of Ownership (%)	Fair Value	
ASLAN Pharmaceuticals Pte. Ltd.	Shares DotBio Pte. Ltd.	-	Financial assets at FVTOCI	599,445	$ 1,701	2.51	$ 1,701	-

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship	Transactions Details			% of 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	$ 633	Note	0.14
		ASLAN Pharmaceuticals Pte. Ltd.	From parent company to subsidiary	Other payables	157	Note	0.04
1	ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Australia Pty Ltd.	Between subsidiaries	Other receivables	41,758	Note	9.48
		ASLAN Pharmaceuticals Australia Pty Ltd.	Between subsidiaries	Other payables	8,558	Note	1.94
		ASLAN Pharmaceuticals Australia Pty Ltd.	Between subsidiaries	General and administrative expense	8,715	Note	-
		ASLAN Pharmaceuticals Australia Pty Ltd.	Between subsidiaries	Interest income	863	Note	-
		ASLAN Pharmaceuticals Taiwan Limited	Between subsidiaries	Other receivables	6,059	Note	1.38
		ASLAN Pharmaceuticals Taiwan Limited	Between subsidiaries	Other payables	4,150	Note	0.94
		ASLAN Pharmaceuticals Taiwan Limited	Between subsidiaries	General and administrative expense	3,457	Note	-
		ASLAN Pharmaceuticals Hong Kong Limited	Between subsidiaries	Other receivables	50,936	Note	11.57
		ASLAN Pharmaceuticals Hong Kong Limited	Between subsidiaries	Interest income	479	Note	-
		ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	Between subsidiaries	Other receivables	1,707	Note	0.39
		ASLAN Pharmaceuticals (USA) Inc.	Between subsidiaries	Other receivables	29	Note	0.01
		Jaguahr Therapeutics Pte. Ltd.	Between subsidiaries	Other receivables	382	Note	0.09
2	ASLAN Pharmaceuticals Taiwan Limited	ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	Between subsidiaries	Other receivables	206	Note	0.05

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

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2020 (In Thousands)	December 31, 2019 (In Thousands)	Shares	%	Carrying Amount			
ASLAN Pharmaceuticals Limited	ASLAN Pharmaceuticals Pte. Ltd.	Singapore	New drugs research	US$ 170,642	US$ 170,642	174,519,973	100	($ 249,326)	($ 193,930)	($ 193,930)	Subsidiary
ASLAN Pharmaceuticals Pte. Ltd.	ASLAN Pharmaceuticals Taiwan Limited	Taiwan	New drugs research	US$ 167	US$ 167	500,000	100	1,719	(2,701)	(2,701)	Subsidiary
	ASLAN Pharmaceuticals Australia Pty Ltd.	Australia	New drugs research	-	-	1	100	(19,441)	(1,190)	(1,190)	Subsidiary
	ASLAN Pharmaceuticals Hong Kong Limited	Hong Kong	New drugs research	-	-	1	100	(51,435)	(841)	(841)	Subsidiary
	ASLAN Pharmaceuticals (USA) Inc.	United States of America	New drugs research	US$ 0.1	US$ 0.1	1,000,000	100	(6)	(4)	(4)	Subsidiary
	Jaguahr Therapeutics Pte. Ltd.	Singapore	New drugs research	US$ 1,377	US$ 1,377	77,000	55	27,273	(21,021)	(11,561)	Subsidiary

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars)

Investee	Main Businesses and Products	Total Amount of Paid-in Capital (In Thousands)	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2020	Accumulated Inward Remittance of Earnings as of June 30, 2020	Note
					Outflow	Inflow							
ASLAN Pharmaceuticals (Shanghai) Co. Ltd.	New drug research and development	US$ 1,600	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	($ 361)	100	($ 361)	($ 2,039)	Not applicable	Note 3

Investee	Accumulated Investment in Mainland China as of June 30, 2020	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.

TABLE 6

ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2020
(In Thousands of New Taiwan Dollars)

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
J.P. Morgan Chase Bank	59,466,030	31.30%