**As confidentially submitted to the Securities and Exchange Commission on December 20, 2017.**
**This draft registration statement has not been publicly filed with the Securities and Exchange Commission and all information herein remains strictly confidential.**
**Registration Statement No. 333-**

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# Form F-1
# REGISTRATION STATEMENT
***UNDER***
***THE SECURITIES ACT OF 1933***

# ASLAN Pharmaceuticals Limited
**(Exact name of registrant as specified in its charter)**

**Not Applicable**
**(Translation of Registrant's name into English)**

| **Cayman Islands** | **2834** | **Not Applicable** |
|---|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(Primary Standard Industrial Classification Code Number)** | **(I.R.S. Employer Identification Number)** |

**83 Clemenceau Avenue #12-03 UE Square**
**Singapore 239920**
**+65 6222 4235**
**(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)**

**Cogency Global Inc.**
**10 East 40th Street 10th Floor**
**New York, New York 10016**
**+1 212 947 7200**
**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

***Copies of all communications, including communications sent to agent for service, should be sent to:***

| | |
|---|---|
| **Charles S. Kim**<br>**Sean M. Clayton**<br>**Robert W. Phillips**<br>**Patrick Loofbourrow**<br>**David Peinsipp**<br>**Cooley LLP**<br>**4401 Eastgate Mall**<br>**San Diego, California 92121**<br>**(858) 550-6000** | **Alan F. Denenberg**<br>**Davis Polk & Wardwell LLP**<br>**1600 El Camino Real**<br>**Menlo Park, California 94025**<br>**(650) 752-2000** |

**Approximate date of commencement of proposed sale to public:** As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act:

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

**CALCULATION OF REGISTRATION FEE**

| **Title of Each Class of Securities to be Registered** | **Proposed Maximum Aggregate Offering Price(1)** | **Amount of Registration Fee(2)** |
|---|---|---|
| Ordinary shares, par value NT$10.00 per ordinary share(3)(4) | $ | $ |

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act. Includes the aggregate offering price of additional ordinary shares represented by American Depositary Shares (ADSs) that the underwriters have the option to purchase solely to cover over-allotments, if any.
(2) Calculated pursuant to Rule 457(o) under the Securities Act, based on an estimate of the proposed maximum aggregate offering price.
(3) These ordinary shares are represented by ADSs, each of which represents ordinary shares of the Registrant.
(4) ADSs issuable upon deposit of the ordinary shares registered hereby are being registered pursuant to a separate registration statement on Form F-6 (File No. 333- ).

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.**

## EXPLANATORY NOTE

Pursuant to the applicable provisions of the Fixing America's Surface Transportation Act, we are omitting our financial statements for the year ended December 31, 2015 and for the nine months ended September 30, 2017 because they relate to historical periods that we believe will not be required to be included in the prospectus at the time of the contemplated offering. We intend to amend the registration statement to include all financial information required by Regulation S-X at the date of such amendment before distributing a preliminary prospectus to investors.

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**The information contained in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED , 2018**

**PRELIMINARY PROSPECTUS**

# American Depositary Shares


## Representing Ordinary Shares

We are offering American Depositary Shares, or ADSs. Each ADS represents of our ordinary shares. The ADSs will be evidenced by American Depositary Receipts, or ADRs. This is the initial public offering of our ADSs. No public market has previously existed for our ADSs. Our ordinary shares are currently listed on the Taipei Exchange, or TPEx. On , 2018, the last reported sale price of our ordinary shares on the TPEx was NT$ per share, or approximately $ per share, based on an exchange rate of NT$ to $1.00.

We intend to apply to list our ADSs on The Nasdaq Global Market under the symbol "ASLN."

**Investing in our ADSs involves a high degree of risk. Before buying any ADSs, you should carefully read the discussion of material risks of investing in our ADSs in "Risk Factors" beginning on page 12 of this prospectus.**

**We are an "emerging growth company" and a "foreign private issuer" as defined under the federal securities laws and, as such, will be subject to reduced public company reporting requirements. See "Prospectus Summary—Implications of Being an Emerging Growth Company and a Foreign Private Issuer" for additional information.**

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

| | PER ADS | TOTAL |
|---|---|---|
| Public offering price | $ | $ |
| Underwriting discounts and commissions(1) | $ | $ |
| Proceeds to ASLAN Pharmaceuticals Limited, before expenses | $ | $ |

(1) See "Underwriting" beginning on page 172 for additional information regarding total underwriter compensation.

Delivery of the ADSs is expected to be made on or about , 2018. We have granted the underwriters an option, exercisable at any time through and until one day before the closing date of this offering, to purchase an additional ADSs, solely to cover over-allotments, if any.

**Leerink Partners** **Piper Jaffray**

**H.C. Wainwright & Co.**

**The date of this prospectus is , 2018.**

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**We are responsible for the information contained in this prospectus and any free writing prospectus we prepare or authorize. We have not, and the underwriters have not, authorized anyone to provide you with different information, and we and the underwriters take no responsibility for any other information others may give you. We are not, and the underwriters are not, making an offer to sell our ADSs in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or the sale of any ADSs.**

For investors outside the United States: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction, other than the United States, where action for that purpose is required. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ADSs and the distribution of this prospectus outside the United States.

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability and a majority of our outstanding securities are owned by non-U.S. residents. Under the rules of the U.S. Securities and Exchange Commission, or SEC, we currently qualify for treatment as a "foreign private issuer." As a foreign private issuer, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as domestic registrants whose securities are registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Through and including , 2018 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

## ABOUT THIS PROSPECTUS

Unless otherwise indicated or the context otherwise requires, all references in this prospectus to the terms "ASLAN," "ASLAN Pharmaceuticals," "the company," "we," "us" and "our" refer to ASLAN Pharmaceuticals Limited and its subsidiaries.

## PRESENTATION OF FINANCIAL INFORMATION

Our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standard Board, or IASB, which may differ in material respects from generally accepted accounting principles in other jurisdictions, including the United States.

Our functional currency is the U.S. dollar. Unless otherwise specified, all monetary amounts presented are in U.S. dollars. All references in this prospectus to "$" mean U.S. dollars, all references in this prospectus to "NT$" mean New Taiwan dollars, the legal currency of the Republic of China, or ROC, and all references in this prospectus to "SG$" mean Singapore dollars, the legal currency of Singapore. All translations from New Taiwan dollars to U.S. dollars in this prospectus were made at a rate of NT$ to $1.00, the noon buying rate in The City of New York for cable transfers in New Taiwan dollars per U.S. dollar as certified for customs purposes by the Federal Reserve Bank of New York on , 2018. No representation is made that the New Taiwan dollar amounts referred to herein could have been or could be converted into U.S. dollars at any particular rate or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

We have made rounding adjustments to some of the figures included in this prospectus. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them.

## PROSPECTUS SUMMARY

*The following summary highlights information contained elsewhere in this prospectus and does not contain all of the information you should consider before investing in our ADSs. You should read the entire prospectus carefully, including "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our financial statements and the related notes thereto, in each case included in this prospectus. You should carefully consider, among other things, the matters discussed in the section of this prospectus titled "Business" before making an investment decision.*

### Overview

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

Our lead program, *varlitinib*, is a reversible small molecule pan-HER inhibitor that targets the human epidermal growth factor receptors HER1, HER2 and HER4. *Varlitinib* is currently being studied in a global pivotal clinical trial for biliary tract cancer for which we expect to report topline data in 2019. We are also conducting a global Phase 2/3 clinical trial of *varlitinib* for gastric cancer for which we expect to report topline Phase 2 data in the second half of 2018.

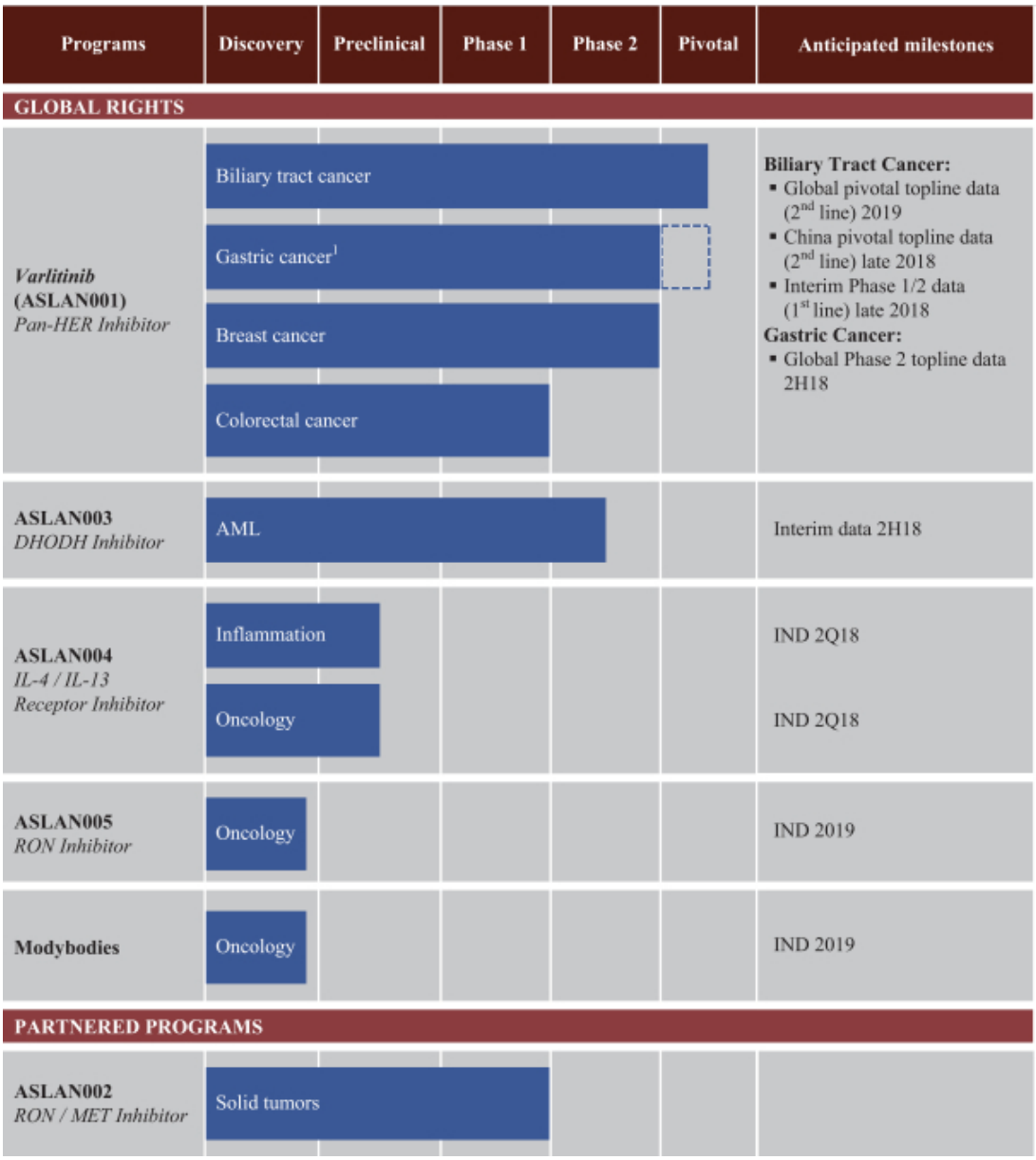
We focus on cancers, such as gastric cancer and biliary tract cancer, that are orphan diseases in the United States and Europe for which there are few, if any, approved therapies. Although registration trials for orphan diseases may require fewer patients, recruitment for such trials in the United States and Europe is often challenging given the limited availability of suitable patients. Asia offers a unique opportunity to accelerate the development of novel therapies in diseases where either the cancers are more prevalent or the availability of suitable patients is greater, and we are able to access a larger population of patients more easily and cost-effectively, with fewer competing trials.

We have built a development platform centered in Asia that can generate data suitable for submission to regulators in the United States, Europe, China and Japan. The key components of this platform include:

- **International presence.** We are strategically positioned, through our teams in Singapore, Taiwan and China, to recruit patients quickly and efficiently in Asia, supplemented with data generated in the United States and Europe. Our local presence in Asia allows us to closely oversee the execution of clinical trials to ensure the quality of clinical data.
- **Extensive knowledge of Asia prevalent cancers.** In collaboration with leading Asia research centers, we have been studying tumor profiles of patients to analyze the expression of certain biomarkers. This allows us to design targeted clinical trials focusing on those patients most likely to respond to our product candidates.
- **Experienced management team.** Our senior management team has extensive experience in global and regional development and commercialization and an aggregate of over 60 years of experience working in Asia. Our CEO was previously New Product Director, China, and Business Development Director, Asia Pacific, at AstraZeneca. Our Chief Medical Officer was previously Global Head of Research and Development at Almirall.
- **Deep local relationships.** Our team's global experience is complemented by a strong network of local partners and collaborators that we have established over many years operating in Asia, such as the Director of the Clinical Trials Center at Seoul National University Hospital and the Chair of the Chinese Society of Clinical Oncology. We are also represented on some of the top industry and government advisory bodies in Asia.

**Our Product Candidates**

The following table summarizes our product candidate pipeline:




1 We have previously completed a Phase 2 paired biopsy clinical trial in patients who had failed one or more courses of prior treatment for gastric cancer. In August 2017, we initiated a Phase 2/3 trial in first line gastric cancer, for which we expect to report topline Phase 2 data in the second half of 2018. The dotted line section represents the Phase 3 portion of this ongoing trial, which we would progress to if the results from the Phase 2 portion meet the primary endpoint. For more information, please see "Business—Our Product Candidates—*Varlitinib*—Gastric Cancer."

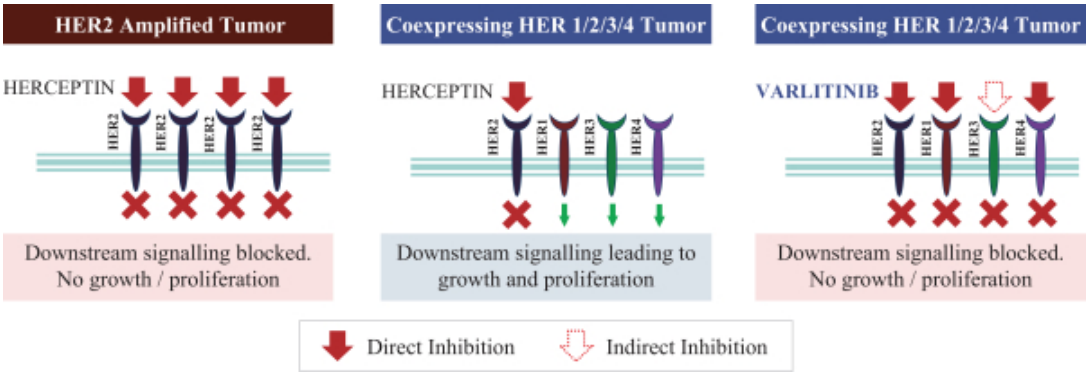
We own global rights to all of our product candidates with the exception of ASLAN002, for which Bristol-Myers Squibb Company, or BMS, acquired global rights, and *varlitinib*, for which Hyundai Pharm Co., Ltd., or Hyundai, acquired rights for South Korea.

***Varlitinib***

Our lead program, *varlitinib*, is a highly potent, oral, reversible small molecule pan-HER inhibitor. Targeting individual members of the human epidermal growth factor receptor, or HER, family is a well-validated approach to cancer treatment. In some cancers, HER1-selective or HER2-selective agents appear to be effective for a large number of patients, however, in other cancers such as gastric cancer, only a small number of patients have tumors driven by a single receptor, such as HER2. We believe there are larger subsets of patients with cancers driven by a combination of HER1, HER2, HER3 and HER4. In a biomarker-driven Phase 2a clinical trial of HER1/HER2 coexpressing gastric cancer patients, we demonstrated that *varlitinib* could inhibit downstream growth pathways. In other clinical trials, we have demonstrated that *varlitinib* has activity in biliary tract cancer, where HER family expression is known to be high, as well as in HER2-positive breast cancer and in subsets of colorectal cancer.

*Varlitinib* has been designed to have favorable properties with low nanomolar, or nM, potency for the HER family. *Varlitinib* selectively inhibits the HER family and therefore has the potential for fewer off-target effects. It was well-tolerated in the clinic, with reduced gastrointestinal, or GI, toxicity compared to other pan-HER inhibitors.

***Varlitinib* Mechanism of Action**




We believe that *varlitinib* has the potential to be the first targeted therapy approved for biliary tract cancer and first-line treatment for HER1/HER2 coexpressing gastric cancer. We believe *varlitinib* has the following potential competitive advantages:

- potent inhibition of HER1, HER2 and HER4 potentially enables it to be used in a broader range of tumors than HER1-selective and HER2-selective agents;
- HER4 inhibition may lead to a more durable response;
- low levels of GI toxicity in comparison to other pan-HER inhibitors, with grades 3/4 diarrhea occurring in less than 5% of patients; and
- well-tolerated in conjunction with different chemotherapy regimens.

We have obtained orphan drug designation from the United States Food and Drug Administration, or U.S. FDA, for *varlitinib* in gastric cancer and cholangiocarcinoma, which represents approximately 60% of biliary tract cancer cases. We also have obtained orphan drug designation from the Ministry of Food and Drug Safety in South Korea for *varlitinib* in biliary tract cancer.

Following discussions with the U.S. FDA and other regulators, we have initiated a global pivotal clinical trial of *varlitinib* for biliary tract cancer. We expect to report topline data from the global pivotal trial in 2019. We are also testing *varlitinib* in a single-arm pivotal clinical trial in biliary tract cancer in China for which we expect to report topline data in late 2018. In August 2017, we initiated a global Phase 2/3 clinical trial of *varlitinib* for gastric cancer, for which we expect to report topline Phase 2 data in the second half of 2018.

***ASLAN003***

ASLAN003 is an orally active, potent inhibitor of human dihydroorotate dehydrogenase, or DHODH, the enzyme controlling the rate limiting step in the *de novo* synthesis of pyrimidines, essential building blocks for the production of DNA and RNA in mammalian cells. DHODH also contributes to the production of adenosine triphosphate, or ATP. In cancer, increased levels of pyrimidines and ATP are required for tumor growth and survival. Inhibition of DHODH depletes the intracellular pool of pyrimidines and contributes to lower levels of ATP. This leads to the induction of the tumor suppressor p53, which at high levels of induction triggers apoptosis, or programmed cell death.

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

- potent inhibition of DHODH, up to two orders of magnitude stronger than first generation inhibitors with the potential to reach the levels required to be efficacious in oncology;
- lack of toxicities associated with first generation inhibitors and other recently launched therapies for acute myeloid leukemia, or AML;
- enables AML blast cells to differentiate into granulocytes and may be applicable in a broad range of AML patients; and
- evidence of activity in triple negative breast cancer, or TNBC.

We are conducting a Phase 2 clinical trial in Asia to develop ASLAN003 in AML and we expect to report interim data from this trial in the second half of 2018. We plan to meet with the U.S. FDA to discuss expedited regulatory strategies, such as accelerated approval.

***Additional Pipeline Programs***

In addition to *varlitinib* and ASLAN003, we have several other product candidates in development. ASLAN004 is an IL-4/IL-13 receptor antibody, which we believe has the potential to be a best-in-class therapy for severe atopic dermatitis and asthma, due to greater selectivity in binding target cells via the IL-13 receptor. We plan to initiate a Phase 1 clinical trial for ASLAN004 following the submission of an investigational new drug application, or IND, expected in the second quarter of 2018, and plan to seek a global partner for the continued clinical development and potential commercialization of ASLAN004.

Our preclinical portfolio contains several immuno-oncology programs using conventional antibodies and an antibody fragment technology that we have licensed called Modybodies. ASLAN002 is a small molecule inhibitor of cMET and *recepteur d'origine nantais*, or RON, an immune checkpoint inhibitor, and is currently partnered with BMS.

**Opportunity and Rationale for Drug Development in Asia**

Cancer is one of the leading causes of death globally and is rapidly overtaking heart disease in many developed countries to become the number one cause of mortality. In 2015, there were approximately 1.7 million new cases of cancer and 600,000 deaths caused by cancer in the United States, as compared to 4.3 million new cases and 2.8 million deaths in China alone. Historically, there has been more research in cancers common in the United States and Europe, such as breast and lung cancer, than there has been in other cancer types which are more prevalent in Asia. This lack of research has contributed to fewer treatment options for those cancers that are more prevalent in Asia. For example, in 2016 the prevalence of biliary tract cancer was over 200,000 patients in Asia, compared to approximately 12,600 in the United States, and there are no therapies approved to treat this disease. In gastric cancer, the prevalence was over one million in Asia in 2012, but only approximately 32,000 in the United States, and there is only one targeted therapy approved for first-line treatment.

We believe that our Asia development platform and our understanding of cancers that are prevalent in Asia, in particular in our areas of focus in China, Japan, South Korea and Southeast Asia, will enable us to develop drugs for these diseases more efficiently than could be done in the United States and Europe.

**Our Strategy**

We intend to pursue the following strategy:

- **Rapidly advance *varlitinib* in biliary tract cancer and gastric cancer.** We are conducting a global pivotal clinical trial of *varlitinib* and a pivotal clinical trial in China for biliary tract cancer. Based on guidance from the U.S. FDA, we intend to seek accelerated approval for this product candidate if we see an increase in response rate over the current standard of care. We are also conducting a global Phase 2/3 clinical trial of varlitinib for HER1/HER2 coexpressing gastric cancer.
- **Develop ASLAN003 in AML.** We are conducting a Phase 2 clinical trial in Asia to develop ASLAN003 in AML. We are also conducting preclinical studies in other types of cancer, such as TNBC and hepatocellular carcinoma, or HCC.
- **Build a broad immuno-oncology portfolio.** We are using antibodies and antibody fragments to inhibit specific immune checkpoints, such as RON, a receptor expressed on the macrophage, the inhibition of which could enhance T-cell activity.
- **Establish a targeted commercial organization in the United States, China and other Asian markets.** We plan to start building a targeted commercial organization in 2018 in anticipation of the potential regulatory approval of *varlitinib* for biliary tract cancer and gastric cancer.
- **Develop ASLAN004 in severe atopic dermatitis and asthma.** We intend to seek a global partner to support a Phase 3 clinical trial and potential commercialization.
- **Selectively in-license or acquire additional oncology product candidates.** We plan to identify and evaluate new product opportunities based on our understanding of Asia prevalent cancers and the targets and pathways that drive them.

**Risks Associated with Our Business**

Our business is subject to a number of risks of which you should be aware before making an investment decision. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth in the section titled “Risk Factors” before deciding whether to invest in our ADSs. Among these important risks are the following:

- we have incurred significant losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future;

- we have only generated limited revenue since inception and may never be profitable;
- we are a clinical stage company and will require additional capital beyond this offering;
- our success is dependent on the successful development, regulatory approval and commercialization of our product candidates;
- our Asia development platform may not result in the competitive advantages we anticipate;
- we rely on third parties to manufacture and conduct the clinical trials of our product candidates, which could delay or limit their future development or regulatory approval;
- we currently do not have the infrastructure to commercialize any of our product candidates and our planned commercialization efforts may not prove successful;
- we may be unable to adequately maintain and protect our proprietary intellectual property assets, which could impair our commercial opportunities;
- the rights of our shareholders differ from the rights typically offered to shareholders of a U.S. corporation;
- we may be classified as a passive foreign investment company in any taxable year and U.S. holders of our ADSs could be subject to adverse U.S. federal income tax consequences as a result; and
- we qualify as a foreign private issuer and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that permit less detailed and frequent disclosures than those of a U.S. domestic public company.

**Implications of Being an Emerging Growth Company and a Foreign Private Issuer**

The Jumpstart Our Business Startups Act, or the JOBS Act, was enacted in April 2012 with the intention of encouraging capital formation in the United States and reducing the regulatory burden on newly public companies that qualify as "emerging growth companies." We are an emerging growth company within the meaning of the JOBS Act. As an emerging growth company, we may take advantage of certain exemptions from various public reporting requirements, including the requirement that our internal control over financial reporting be audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act of 2002.

We may take advantage of these provisions until we are no longer an emerging growth company. We will remain an emerging growth company until the earlier to occur of (1) (a) the last day of the fiscal year following the fifth anniversary of the closing of this offering, (b) the last day of the fiscal year in which our annual gross revenue is $1.07 billion or more, or (c) the date on which we are deemed to be a "large accelerated filer," under the rules of the U.S. Securities and Exchange Commission, or SEC, which means the market value of our equity securities that is held by non-affiliates exceeds $700 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of delayed adoption of new or revised accounting standards and, therefore, we will be subject to the same requirements to adopt new or revised accounting standards as other public companies that are not emerging growth companies.

Upon consummation of this offering, we will report under the Exchange Act as a non-U.S. company with foreign private issuer status. Even after we no longer qualify as an emerging growth company, as long as we qualify as a

foreign private issuer under the Exchange Act we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events.

Both foreign private issuers and emerging growth companies are also exempt from certain more stringent executive compensation disclosure rules. Thus, even if we no longer qualify as an emerging growth company, but remain a foreign private issuer, we will continue to be exempt from the more stringent compensation disclosures required of companies that are neither an emerging growth company nor a foreign private issuer.

**Corporate Information**

ASLAN Pharmaceuticals Pte. Ltd. was incorporated in Singapore in April 2010 and ASLAN Pharmaceuticals Limited was incorporated in Cayman Islands in June 2014 as the listing vehicle for our initial public offering and listing on the TPEx. Our subsidiaries, ASLAN Pharmaceuticals Taiwan Limited, ASLAN Pharmaceuticals Australia Pty Ltd., ASLAN Pharmaceuticals Hong Kong Limited and ASLAN Pharmaceuticals (Shanghai) Co. Ltd., were incorporated in the Republic of China, Australia, Hong Kong and China in November 2013, July 2014, July 2015 and May 2016, respectively.

Our principal executive offices are located at 83 Clemenceau Avenue #12-03 UE Square, Singapore 239920. Our telephone number at this address is +65 6222 4235. Our registered office in the Cayman Islands is at the offices of Intertrust Corporate Services (Cayman) Limited at 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. Our agent for service of process in the United States is Cogency Global Inc. located at 10 East 40th Street 10th Floor, New York, New York 10016. Our website address is www.aslanpharma.com. The reference to our website is an inactive textual reference only and the information contained in, or that can be accessed through, our website is not a part of this prospectus.

We conduct our business using the trademark “ASLAN,” “ASLAN PHARMACEUTICALS” and our lion logo, as well as domain names incorporating either or both of these trademarks. “ASLAN PHARMACEUTICALS” is a registered trademark in Singapore. In terms of Chinese character versions of our trademarks, in Taiwan, we have a trademark registration for “亞獅康藥品.” In China, we have a trademark registration for “亚狮康私人有限公司.” This prospectus contains references to our trademarks and to trademarks belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus, including logos, artwork and other visual displays, may appear without the ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

| The Offering | |
|---|---|
| ADSs offered by us | ADSs, each representing ordinary shares. |
| Ordinary shares to be outstanding immediately after this offering | ordinary shares (or ordinary shares if the underwriters exercise in full their over-allotment option to purchase an additional ADSs). |
| Over-allotment option | We have granted the underwriters an over-allotment option, exercisable at any time through and until one day before the closing date of this offering, to purchase up to an additional ADSs from us, solely to cover over-allotments, if any. |
| American Depositary Shares | Each ADS represents ordinary shares, par value NT$10.00 per ordinary share. You will have the rights of an ADS holder or beneficial owner (as applicable) as provided in the deposit agreement among us, the depositary and holders and beneficial owners of ADSs from time to time. To better understand the terms of our ADSs, see "Description of American Depositary Shares." We also encourage you to read the deposit agreement, the form of which is filed as an exhibit to the registration statement of which this prospectus forms a part. |
| Depositary | JPMorgan Chase Bank, N.A. |
| Use of proceeds | We estimate that the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, to be approximately $ based on the assumed initial public offering price of $ per ADS (based upon the closing price of our ordinary shares of NT$ per share on the TPEx, on , 2018). We expect to use the net proceeds from this offering to continue to invest in the clinical development of our product candidates, including for the following planned and ongoing clinical trials: global pivotal clinical trial for *varlitinib* in biliary tract cancer; China pivotal clinical trial for *varlitinib* in biliary tract cancer; global Phase 2/3 clinical trial for *varlitinib* in gastric cancer; global clinical trials for ASLAN003 in AML; and ASLAN004 preclinical and Phase 1 clinical trials. The remaining net proceeds, if any, are expected to fund new and other ongoing research and development activities, working capital and other general corporate purposes. See "Use of Proceeds" for a more complete description of the intended use of proceeds from this offering. |
| Risk factors | See "Risk Factors" and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our ADSs. |
| Proposed Nasdaq Global Market symbol | "ASLN" |

The number of ordinary shares that will be outstanding after this offering is based on 130,128,940 ordinary shares outstanding as of September 30, 2017 and excludes:

- 14,733,379 ordinary shares issuable on the exercise of share options outstanding as of September 30, 2017 under our equity incentive plans, at a weighted-average exercise price of $0.74 per ordinary share; and
- 174,167 ordinary shares authorized for issuance pursuant to future awards under our equity incentive plans as of September 30, 2017.

Except as otherwise noted, the information in this prospectus assumes the following:

- that the initial public offering price of our ADSs is $ per ADS (based upon the closing price of our ordinary shares of NT$ per share on the TPEx on , 2018); and
- no exercise by the underwriters of their over-allotment option.

**Summary Consolidated Financial Data**

The following tables summarize our consolidated financial data for the periods and as of the date indicated. The summary consolidated statements of comprehensive loss data for the years ended December 31, 2016 and 2017 and the summary consolidated balance sheet data as of December 31, 2017 have been derived from our audited consolidated financial statements, which have been prepared in accordance with IFRS as issued by the IASB and included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future. The following summary consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements included elsewhere in this prospectus.

| | Year ended December 31, | |
|---|---|---|
| | 2016 | 2017 |
| | (in thousands, except share and per share data) | |
| **Summary Consolidated Statements of Comprehensive Loss Data:** | | |
| **Net revenue** | $ 11,547 | $ |
| **Cost of revenue** | (125) | |
| **Operating expenses** | | |
| General administrative expenses | (6,957) | |
| Research and development expenses | (13,165) | |
| **Loss from operations** | (8,700) | |
| **Non-operating income and expenses** | | |
| Other gains, net | 175 | |
| Finance costs | (524) | |
| Total non-operating income (expenses) | (349) | |
| **Loss before income tax** | (9,049) | |
| **Income tax expense** | — | |
| **Net loss** | (9,049) | |
| **Total comprehensive loss** | (9,049) | |
| **Loss per share, basic and diluted** | (0.09) | |
| Weighted-average shares used in computing loss per share attributable to ordinary shareholders, basic and diluted | 105,027,040 | |

| | As of December 31, 2017 | |
|---|---|---|
| | Actual | As Adjusted(1) |
| | (in thousands) | |
| **Summary Consolidated Balance Sheet Data:** | | |
| Cash and cash equivalents | $ | $ |
| Working capital(2) | | |
| Total assets | | |
| Total equity | | |

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per ADS would increase (decrease) the as adjusted amount of each of cash and cash equivalents, working capital, total assets and total equity by $ million, assuming that the number of ADSs offered by us, as set forth on the cover

page of this prospectus, remains the same, and after deducting the underwriting discounts and commissions. An increase (decrease) of 1.0 million shares in the number of ADSs offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the as adjusted amount of each of cash and cash equivalents, working capital, total assets and total equity by $ million, assuming the assumed initial public offering price per ADS remains the same, and after deducting the underwriting discounts and commissions. This as adjusted information is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing.

(2) We define working capital as current assets minus current liabilities. See our consolidated financial statements included elsewhere in this prospectus for further details regarding our current assets and current liabilities.

## RISK FACTORS

*An investment in our ADSs involves a high degree of risk. You should carefully consider the following information about these risks, together with the other information appearing elsewhere in this prospectus, before deciding to invest in our ADSs. The occurrence of any of the following risks could have a material adverse effect on our business, financial condition, results of operations and future growth prospects. In these circumstances, the market price of our ADSs could decline, and you may lose all or part of your investment.*

### Risks Related to Our Financial Condition and Need for Additional Capital

***We have incurred significant losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future.***

We are a clinical-stage oncology-focused biopharmaceutical company based in Singapore developing novel therapeutics for global markets. We target diseases that are both highly prevalent in Asia and orphan indications in the United States and Europe. Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will not demonstrate adequate effectiveness in the targeted indication or an acceptable safety profile, gain regulatory approval or become commercially viable. All of our product candidates will require substantial additional development time and resources before we would be able to apply for or receive regulatory approvals and begin generating revenue from product sales. We are not profitable and have incurred significant net losses in each year since our inception, including net losses of $9.0 million and $ million for fiscal years 2016 and 2017, respectively. As of December 31, 2017, we had an accumulated deficit of $ million.

We have devoted substantially all our financial resources to developing our product candidates, including preclinical development activities and clinical trials. We expect to continue to incur substantial and increased expenses, losses and negative cash flows as we expand our development activities and advance our clinical programs, particularly with respect to our planned clinical development for *varlitinib*, ASLAN003 and ASLAN004, as well as our continued preclinical development of ASLAN005 and Modybodies. If our product candidates are not successfully developed or commercialized, including because of a lack of capital, or if we do not generate enough revenue following marketing approval, we will not achieve profitability and our business may fail. Even if we successfully obtain regulatory approval to market our product candidates in the United States and Europe, our revenue will also be heavily dependent upon the size of the markets outside of the United States and Europe, in particular China and Japan, as well as our ability to obtain market approval and achieve commercial success in those markets.

***We currently do not generate any revenue from product sales, have generated only limited revenue since inception, and may never be profitable.***

We do not anticipate generating revenue from sales of our proprietary product candidates for the foreseeable future. Our ability to generate future revenue from product sales depends on our success in completing clinical development of, obtaining regulatory approval for, and launching and successfully commercializing any product candidates.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to predict the timing or amount of increased expenses, when, or if, we will begin to generate revenue from product sales, or when, or if, we will be able to achieve or maintain profitability. In addition, our expenses could increase beyond planned levels if we are required by the U.S. FDA to perform studies in addition to those that we currently anticipate or if such studies are larger, take longer or are otherwise more expensive to conduct than we expect.

Even if one or more of our product candidates is approved for commercial sale, to the extent we do not engage a third-party collaborator, we anticipate incurring significant costs associated with commercializing any approved

product candidate. Even if we are able to generate revenue from the sale of any approved products, we may not become profitable and may need to obtain additional funding to continue operations.

***We will need to obtain substantial additional financing for our operations, and if we fail to obtain additional financing, we may be forced to delay, reduce or eliminate our product development programs or commercialization efforts.***

Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is expensive and we have consumed substantial amounts of capital since inception. To date, we have financed our operations through government subsidies and grants, collaboration payments and the sale of equity securities and convertible debt. We will need substantial additional financing to continue our operations and do not expect revenues from product sales or potential licensing transactions to be sufficient to offset our development expenses as we advance our clinical programs, including *varlitinib*.

We estimate that the net proceeds from this offering will be approximately $ million, assuming an initial public offering price of $ per ADS (based upon the closing price of our ordinary shares of NT$ per share on the TPEx on , 2018) and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. As of December 31, 2016, we had cash and cash equivalents of approximately $51.7 million and working capital of $49.3 million. Based upon our current operating plan, we believe that the net proceeds from this offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital requirements for at least the next 12 months. Regardless of our expectations as to how long our net proceeds from this offering will fund our operations, changing circumstances beyond our control may cause us to consume capital more rapidly than we currently anticipate. For example, our clinical trials may encounter technical, enrollment or other difficulties that could increase our development costs more than we expect. We may also incur expenses as we create additional infrastructure to support our planned commercialization efforts and our operations as a U.S. public company. In any event, we will require additional capital prior to completing pivotal studies of, filing for regulatory approval for, or commercializing, *varlitinib*, ASLAN003, ASLAN004 or any of our other preclinical product candidates.

We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. If we are unable to raise additional capital when required or on acceptable terms, we may be required to:

- significantly delay, scale back or discontinue the development or commercialization of our product candidates;
- seek corporate partners for our product candidates when we would otherwise develop our product candidates on our own, or at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available;
- relinquish or license on unfavorable terms, our rights to technologies or product candidates that we otherwise would seek to develop or commercialize ourselves; or
- significantly curtail or cease operations.

If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we will be prevented from pursuing development and commercialization efforts, which will have an adverse effect on our business, operating results and prospects.

**Risks Related to Clinical Development and Regulatory Approval**

***We are heavily dependent on the success of varlitinib, as well as ASLAN003 and ASLAN004. We cannot give any assurance that any of varlitinib, ASLAN003 or ASLAN004 will successfully complete clinical development or receive regulatory approval, which is necessary before they can be commercialized.***

Our business and future success is substantially dependent on our ability to successfully develop, obtain regulatory approval for, and successfully commercialize our lead program, *varlitinib*, as well as ASLAN003 and ASLAN004. Any delay or setback in the development of any of our product candidates, could adversely affect our business and cause the price of our ADSs or ordinary shares to decline. Should our planned clinical development of our more advanced product candidates fail to be completed in a timely manner or at all, we will need to rely on our other product candidates, which will require additional time and resources to obtain regulatory approval and proceed with commercialization. We cannot assure you that our planned clinical development for *varlitinib* or our other product candidates will be completed in a timely manner, or at all, or that we will be able to obtain approval for *varlitinib* or any of our product candidates from the U.S. FDA, the China Food and Drug Administration, or CFDA, or any comparable foreign regulatory authority.

***Clinical development is a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results. Failure can occur at any stage of clinical development. We have never completed a pivotal clinical trial for our product candidates or submitted a New Drug Application, or NDA, or a Biologics License Application, or BLA, to the U.S. FDA or similar drug approval filings to comparable foreign authorities.***

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. The results of preclinical studies and early clinical trials of our product candidates may not be predictive of the results of subsequent clinical trials. We have a limited operating history and to date have not demonstrated our ability to complete large scale pivotal clinical trials.

Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. In addition to the safety and efficacy traits of any product candidate, clinical trial failures may result from a multitude of factors including flaws in trial design, dose selection, placebo effect and patient enrollment criteria. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Based upon negative or inconclusive results, we or any potential future collaborator may decide, or regulators may require us, to conduct additional clinical trials or preclinical studies. In addition, data obtained from trials and studies are susceptible to varying interpretations, and regulators may not interpret our data as favorably as we do, which may delay, limit or prevent regulatory approval. Our future clinical trials may not be successful.

If any product candidate is found to be unsafe or lack efficacy, we will not be able to obtain regulatory approval for it and our business may be materially harmed. For example, if the results of our ongoing pivotal studies for *varlitinib* in biliary tract cancer and gastric cancer, our planned Phase 2 clinical trial of *varlitinib* in colorectal cancer, our ongoing Phase 2 clinical trial of ASLAN003 in AML, our planned Phase 1 clinical trial of ASLAN004 in severe atopic dermatitis and asthma, or any other clinical trials for these product candidates demonstrate unexpected safety findings or do not achieve the primary efficacy endpoints, the prospects for approval of these product candidates, as well the price of our ADSs and ordinary shares and our ability to create shareholder value would be materially and adversely affected.

In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same product candidate due to numerous factors, including changes in trial protocols, differences in composition of the patient populations, adherence to the dosing regimen and other trial protocols and the dropout rate among clinical trial participants. For example, we could be required to use a primary endpoint in our pivotal

studies that is different from endpoints in our Phase 2 clinical trials, which could result in negative or less compelling efficacy results in pivotal trials despite promising results in Phase 2 clinical trials. We do not know whether any future clinical trials we may conduct will demonstrate consistent or adequate efficacy and safety to obtain regulatory approval to market our product candidates. If we are unable to bring any of our current or future product candidates to market, our ability to create long-term shareholder value will be limited.

***Delays in clinical trials are common and have many causes, and any delay could result in increased costs to us and jeopardize or delay our ability to obtain regulatory approval and commence product sales.***

We may experience delays in clinical trials of our product candidates. Our planned clinical trials may not begin on time, have an effective design, enroll a sufficient number of patients, or be completed on schedule, if at all. Our clinical trials can be delayed for a variety of reasons, including:

- inability to raise funding necessary to initiate or continue a trial;
- delays in obtaining regulatory approval to commence a trial;
- delays in reaching agreement with the U.S. FDA, CFDA or other regulatory authorities on final trial design;
- imposition of a clinical hold for safety reasons or following an inspection of our clinical trial operations or trial or manufacturing sites by the U.S. FDA, CFDA or other regulatory authorities;
- delays in reaching agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites;
- delays in obtaining required institutional review board, or IRB, approval at each site;
- delays in recruiting suitable patients to participate in a trial;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- clinical sites dropping out of a trial to the detriment of enrollment;
- time required to add new clinical sites; or
- delays by our contract manufacturers to produce and deliver sufficient supply of clinical trial materials.

We could also experience delays if physicians encounter unresolved ethical issues associated with enrolling patients in clinical trials of our product candidates in lieu of prescribing existing treatments that have established safety and efficacy profiles. Further, a clinical trial may be suspended or terminated by us, the IRBs for the institutions in which such trials are being conducted, any data monitoring committee for such trial, or by the U.S. FDA, CFDA or other regulatory authorities due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of clinical trial or manufacturing sites by the U.S. FDA, CFDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product candidate, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Furthermore, we rely on CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials and while we have agreements governing their committed activities, we have limited influence over their actual performance. If we experience termination of, or delays in the completion of, any clinical trial of our product candidates, the commercial prospects for our product candidates will be harmed, and our ability to generate product revenues will be delayed. In addition, any delays in completing our clinical trials will increase our costs and slow down our product development and approval process. Any of these occurrences may harm our business, prospects, financial condition and results of operations significantly. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval for our product candidates.

***Because we have multiple product candidates in our clinical pipeline and are considering a variety of target indications, we may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.***

Because we have limited financial and managerial resources, we must focus our research and development efforts on those product candidates and specific indications that we believe are the most promising. As a result, we may forego or delay pursuit of opportunities with other product candidates or other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities.

We may in the future spend our resources on other research programs and product candidates for specific indications that ultimately do not yield any commercially viable products. For example, one component of our business strategy is to build a broad immuno-oncology portfolio based on antibodies and antibody fragments which inhibit specific immune checkpoints in ways that we believe will enable us to simultaneously target multiple pathways. However, these antibodies and antibody fragments have not been proven and we cannot assure you that they will be viable candidates for preclinical development, that we will be able to target multiple pathways simultaneously or that our estimates for the resultant pipeline will prove accurate. In addition, the costs, time and resources required to successfully move these antibodies and antibody fragments into development may be greater than our estimates. Furthermore, if we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights.

***Our product candidates may cause adverse events or have other properties that could delay or prevent their regulatory approval or limit the scope of any approved label or market acceptance.***

Adverse events, or AEs, caused by our product candidates or other potentially harmful characteristics of our product candidates could cause us, other reviewing entities, clinical trial sites or regulatory authorities to interrupt, delay or halt clinical trials and could result in the denial of regulatory approval. If drug-related serious adverse events, or SAEs, are observed in any of our clinical trials, our ability to obtain regulatory approval for our product candidates may be adversely impacted.

Further, if any of our approved products cause serious or unexpected side effects after receiving market approval, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw their approval of the product or impose restrictions on its distribution;
- regulatory authorities may require the addition of labeling statements, such as warnings or contraindications;
- we may be required to change the way the product is administered or conduct additional clinical studies;
- we could be sued and held liable for harm caused to patients; or
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the affected product candidate and could substantially increase the costs of commercializing our product candidates.

***The regulatory approval processes of the U.S. FDA, CFDA and comparable foreign authorities are lengthy, time consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.***

The time required to obtain approval by the U.S. FDA, CFDA and comparable foreign authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon

numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. For example, we cannot guarantee that our ongoing pivotal clinical trials of *varlitinib* in biliary tract cancer and gastric cancer will be sufficient to warrant accelerated approval or that our Phase 2 clinical trials of ASLAN003 in AML will be sufficient to allow subsequent development or that the U.S. FDA or comparable foreign regulatory authorities will not require additional or different clinical trials prior to subsequent development of ASLAN003 or that the required primary endpoints in subsequent pivotal trials or other clinical trials will be different than those in Phase 2 clinical trials.

Our product candidates could fail to receive regulatory approval for many reasons, including the following:

- the U.S. FDA or comparable foreign regulatory authorities may disagree with the design, scope or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the U.S. FDA or comparable foreign regulatory authorities that a product candidate is safe and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the U.S. FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the U.S. FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of an NDA, BLA or other submission or to obtain regulatory approval in the United States or elsewhere;
- the U.S. FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the U.S. FDA or comparable foreign regulatory authorities may change significantly in a manner rendering our clinical data insufficient for approval.

This lengthy approval process, as well as the unpredictability of future clinical trial results, may result in our failing to obtain regulatory approval to market our product candidates, which would harm our business, results of operations and prospects significantly.

In addition, even if we were to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may not approve the price we intend to charge for our products, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Any of the foregoing scenarios could harm the commercial prospects for our product candidates.

We have not previously submitted an NDA, BLA or any similar drug approval filing to the U.S. FDA or any comparable foreign authority for any product candidate, and we cannot be certain that any of our product candidates will be successful in clinical trials or receive regulatory approval. Further, our product candidates may not receive regulatory approval even if they are successful in clinical trials. If we do not receive regulatory approvals for our product candidates, we may not be able to continue our operations. Even if we successfully obtain regulatory approvals to market one or more of our product candidates, our revenue will be dependent, to a significant extent, upon the size of the markets in the territories for which we gain regulatory approval. If the markets for patients or indications that we are targeting are not as significant as we estimate, we may not generate significant revenue from sales of such products, if approved.

***Pharmaceutical companies in China are required to comply with extensive regulations and hold a number of permits and licenses to carry on their business. Our ability to obtain and maintain these regulatory approvals is uncertain, and future government regulation may place additional burdens on our efforts to commercialize our product candidates.***

The pharmaceutical industry in China is subject to extensive government regulation and supervision. The regulatory framework addresses all aspects of operating in the pharmaceutical industry, including approval, registration, production, distribution, packaging, labelling, storage and shipment, advertising, licensing and certification requirements and procedures, periodic renewal and reassessment processes, registration of new drugs and environmental protection. In order to commercialize our product candidates and manufacture and distribute pharmaceutical products in China, we are required to:

- obtain a pharmaceutical manufacturing permit and good manufacturing practices, or cGMP, certificate for each production facility from the CFDA and its relevant branches for trading and distribution of drugs not manufactured by the drug registration certificate holder;
- obtain a drug registration certificate, which includes a drug approval number, from the CFDA for each drug manufactured by us;
- obtain a pharmaceutical distribution permit and good supply practice, or GSP, certificate from the CFDA and its relevant branches; and
- renew the pharmaceutical manufacturing permits, the pharmaceutical distribution permits, drug registration certificates, cGMP certificates and GSP certificates every five years, among other requirements.

If we are unable to obtain or renew such permits or any other permits or licenses required for our operations, will not be able to engage in the commercialization, manufacture and distribution of our product candidates and our business may be adversely affected.

The regulatory framework governing the pharmaceutical industry in China is subject to change and amendment from time to time. The Chinese government has introduced various reforms to the Chinese healthcare system in recent years and may continue to do so, with an overall objective to expand basic medical insurance coverage and improve the quality and reliability of healthcare services. The specific regulatory changes under the reform still remain uncertain. The implementing measures to be issued may not be sufficiently effective to achieve the stated goals, and as a result, we may not be able to benefit from such reform to the level we expect, if at all. Moreover, the reform could give rise to regulatory developments, such as more burdensome administrative procedures, which may have an adverse effect on our business and prospects.

***Even if we obtain regulatory approval for our product candidates, we will still face extensive regulatory requirements and our products may face future development and regulatory difficulties.***

Even if we obtain regulatory approval in the United States, China or other markets, the U.S. FDA, CFDA or other regulatory authorities, as applicable, may still impose significant restrictions on the indicated uses or marketing of our product candidates, or impose ongoing requirements for potentially costly post-approval studies or post-market surveillance. Our product candidates, if approved, will also be subject to ongoing U.S. FDA, CFDA and/or other applicable regulatory requirements governing the labeling, packaging, storage, distribution, safety surveillance, advertising, promotion, record-keeping and reporting of safety and other post-market information. The holder of an approved NDA or BLA is obligated to monitor and report AEs and any failure of a product to meet the specifications in the NDA or BLA, as applicable. The holder of an approved NDA or BLA must also submit new or supplemental applications and obtain U.S. FDA approval for certain changes to the approved product, product labeling or manufacturing process. Advertising and promotional materials must comply with U.S. FDA rules and are subject to U.S. FDA review, in addition to other potentially applicable federal and state laws.

In addition, manufacturers of drug products and their facilities are subject to payment of user fees and continual review and periodic inspections by the U.S. FDA, CFDA and other regulatory authorities for compliance with

current good manufacturing practices, or cGMP, and adherence to commitments made in the NDA. If we or a regulatory agency discovers previously unknown problems with a product, such as AEs of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a regulatory agency may impose restrictions relative to that product or the manufacturing facility, including requiring recall or withdrawal of the product from the market or suspension of manufacturing.

If we fail to comply with applicable regulatory requirements following approval of a product candidate, a regulatory agency may:

- issue a warning letter asserting that we are in violation of the law;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw regulatory approval;
- suspend any ongoing clinical trials;
- refuse to approve a pending NDA or supplements to an NDA submitted by us;
- seize product; or
- refuse to allow us to enter into supply contracts, including government contracts.

In particular, we may seek accelerated approval from the U.S. FDA for our product candidates which will likely require a further confirmatory trial. If this confirmatory trial is not successful, we will be required to withdraw our product candidate from the U.S. market and potentially other markets. For instance, we intend to seek accelerated approval for *varlitinib* in second-line biliary tract cancer.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. The occurrence of any event or penalty described above may inhibit our ability to commercialize our products and generate revenue.

In addition, if any of our product candidates are approved and we are found to have improperly promoted off-label uses of those products, we may become subject to significant liability. The U.S. FDA and other regulatory agencies strictly regulate the promotional claims that may be made about prescription products, such as our product candidates, if approved. In particular, a product may not be promoted for uses that are not approved by the U.S. FDA or such other regulatory agencies as reflected in the product's approved labeling. For example, if we receive marketing approval for *varlitinib* as a treatment for gastric cancer or biliary tract cancer, physicians may nevertheless use our product for their patients in a manner that is inconsistent with the approved label. If we are found to have promoted such off-label uses, we may become subject to significant liability, which would materially adversely affect our business and financial condition.

***Even if we obtain U.S. FDA approval for our product candidates in the United States, we may never obtain approval to commercialize our product candidates outside of the United States, which would limit our ability to realize their full market potential.***

In order to market any products outside of the United States, we must establish and comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Approval processes vary among countries and can involve additional product testing and validation and additional administrative review periods. Seeking foreign regulatory approval could result in difficulties and costs for us and require additional non-clinical studies or clinical trials which could be costly and time consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our products in those countries. We do not have any product candidates approved for sale in any jurisdiction, including international

markets, and we do not have experience in obtaining regulatory approval in international markets. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, or if regulatory approvals in international markets are delayed, our target market will be reduced and our ability to realize the full market potential of our products will be harmed.

***If we fail to develop, acquire or in-license other product candidates or products, our business and prospects will be limited.***

Our long-term growth strategy is to develop, acquire or in-license and commercialize a portfolio of product candidates in addition to *varlitinib* and our other existing product candidates. Identifying, selecting and acquiring or licensing promising product candidates requires substantial technical, financial and human resources expertise. Efforts to do so may not result in the actual development, acquisition or license of a particular product candidate, potentially resulting in a diversion of our management's time and the expenditure of our resources with no resulting benefit. If we are unable to add additional product candidates to our pipeline, our long-term business and prospects will be limited.

***We rely on third parties to conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.***

We have relied upon and plan to continue to rely upon third-party CROs to conduct our preclinical studies and clinical trials, including investigator-initiated studies sponsored by the investigator's institution, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our trials is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards and our reliance on the CROs does not relieve us of our regulatory responsibilities. We and our CROs are required to comply with U.S. FDA laws and regulations regarding current good clinical practice, or cGCP, which are also required by the Competent Authorities of the Member States of the European Economic Area and comparable foreign regulatory authorities in the form of International Conference on Harmonization, or ICH, guidelines for all of our products in clinical development. Regulatory authorities enforce cGCP through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of our CROs fail to comply with applicable cGCP, the clinical data generated in our clinical trials may be deemed unreliable and the U.S. FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with cGCP regulations. In addition, our clinical trials must be conducted with product produced under cGMP regulations. While we have agreements governing activities of our CROs, we have limited influence over their actual performance. In addition, portions of the clinical trials for our product candidates are expected to be conducted at various locations great distances from where our principal operations are located in Singapore, which will make it more difficult for us to monitor CROs and perform visits of our clinical trial sites and will force us to rely heavily on CROs to ensure the proper and timely conduct of our clinical trials and compliance with applicable regulations, including cGCP. Failure to comply with applicable regulations in the conduct of the clinical trials for our product candidates may require us to repeat clinical trials, which would delay the regulatory approval process.

Some of our CROs have an ability to terminate their respective agreements with us if, among other reasons, it can be reasonably demonstrated that the safety of the subjects participating in our clinical trials warrants such termination, if we make a general assignment for the benefit of our creditors or if we are liquidated. If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. In addition, our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our preclinical and clinical programs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the

quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. Consequently, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase substantially and our ability to generate revenue could be delayed significantly.

Switching or adding additional CROs involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

**Risks Related to Our Business Operations and Industry**

***Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.***

We are highly dependent on the principal members of our executive team listed under “Management” located elsewhere in this prospectus, the loss of whose services may adversely impact the achievement of our objectives. While we have entered into employment agreements with each of our executive officers, any of them could leave our employment at any time, subject to any applicable notice requirements. Recruiting and retaining other qualified employees for our business, including scientific and technical personnel, will also be critical to our success. Competition for skilled personnel is intense and the turnover rate can be high. We may not be able to attract and retain personnel on acceptable terms given the competition among numerous pharmaceutical companies for individuals with similar skill sets. In addition, failure to succeed in clinical studies may make it more challenging to recruit and retain qualified personnel. The inability to recruit or loss of the services of any executive or key employee might impede the progress of our development and commercialization objectives.

***We will need to expand our organization, and we may experience difficulties in managing this growth, which could disrupt our operations.***

As of September 30, 2017, we had 51 full-time employees. As our company matures, we expect to expand our employee base to increase our managerial, scientific, clinical, operational, financial and other resources, to add a sales and marketing function and to hire more consultants and contractors. Future growth would impose significant additional responsibilities on our management, including the need to identify, recruit, maintain, motivate and integrate additional employees, consultants and contractors. Also, our management may need to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. We may not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Future growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of our existing or future product candidates. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate and grow revenue could be reduced, and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize our product candidates, if approved, and compete effectively will depend, in part, on our ability to effectively manage any future growth.

***We face potential product liability, and, if successful claims are brought against us, we may incur substantial liability.***

The use of our product candidates in clinical trials and the sale of any products for which we obtain marketing approval exposes us to the risk of product liability claims. Product liability claims might be brought against us by

consumers, healthcare providers, pharmaceutical companies or others selling or otherwise coming into contact with our products and product candidates. If we cannot successfully defend against product liability claims, we could incur substantial liability and costs. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- impairment of our business reputation;
- withdrawal of clinical trial participants;
- costs due to related litigation;
- distraction of management's attention from our primary business;
- substantial monetary awards to patients or other claimants;
- the inability to commercialize our product candidates; and
- decreased demand for our product candidates, if approved for commercial sale.

Our current clinical trial liability insurance coverage may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive and in the future we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. If and when we obtain marketing approval for our product candidates, we intend to expand our insurance coverage to include the sale of commercial products; however, we may be unable to obtain product liability insurance on commercially reasonable terms or in adequate amounts. On occasion, large judgments have been awarded in class action lawsuits based on drugs that had unanticipated adverse effects. A successful product liability claim or series of claims brought against us could cause the price of our ADSs or ordinary shares to decline and, if judgments exceed our insurance coverage, could adversely affect our results of operations and business.

***Our internal computer systems, or those of our CROs or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our operations.***

Despite the implementation of security measures, our internal computer systems and those of our CROs and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Such events could cause interruptions of our operations. For instance, the loss of preclinical study or clinical trial data involving our product candidates could result in delays in our development and regulatory filing efforts and significantly increase our costs. In addition, theft or other exposure of data may interfere with our ability to protect our intellectual property, trade secrets, and other information critical to our operations. We can provide no assurances that certain sensitive and proprietary information relating to one or more of our product candidates has not been, or will not in the future be, compromised. There can be no assurances we will not experience unauthorized intrusions into our computer systems, or those of our CROs and other contractors and consultants, that we will successfully detect future unauthorized intrusions in a timely manner, or that future unauthorized intrusions will not result in material adverse effects on our financial condition, reputation, or business prospects.

Certain data breaches must also be reported to affected individuals and the government, and in some cases to the media, under provisions of the U.S. Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, other U.S. federal and state law, and requirements of non-U.S. jurisdictions, including the European Union Data Protection Directive, and financial penalties may also apply.

Our insurance policies may not be adequate to compensate us for the potential losses arising from breaches, failures or disruptions of our infrastructure, catastrophic events and disasters or otherwise. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and defending a suit, regardless of its merit, could be costly and divert management's attention.

Furthermore, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on other third parties for the manufacture of our product candidates and to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business.

***In addition to in-licensing or acquiring product candidates, we may engage in future business acquisitions that could disrupt our business, cause dilution to our ADS holders and harm our financial condition and operating results.***

While we currently have no specific plans to acquire any other businesses, we have, from time to time, evaluated acquisition opportunities and may, in the future, make acquisitions of, or investments in, companies that we believe have products or capabilities that are a strategic or commercial fit with our current product candidates and business or otherwise offer opportunities for our company. In connection with these acquisitions or investments, we may:

- issue shares that would dilute our ADS holders' percentage of ownership;
- incur debt and assume liabilities; and
- incur amortization expenses related to intangible assets or incur large write-offs.

We also may be unable to find suitable acquisition candidates and we may not be able to complete acquisitions on favorable terms, if at all. If we do complete an acquisition, we cannot assure you that it will ultimately strengthen our competitive position or that it will not be viewed negatively by customers, financial markets or investors. Further, future acquisitions could also pose numerous additional risks to our operations, including:

- problems integrating the purchased business, products or technologies;
- increases to our expenses;
- the failure to have discovered undisclosed liabilities of the acquired asset or company;
- diversion of management's attention from their day-to-day responsibilities;
- harm to our operating results or financial condition;
- entrance into markets in which we have limited or no prior experience; and
- potential loss of key employees, particularly those of the acquired entity.

We may not be able to complete one or more acquisitions or effectively integrate the operations, products or personnel gained through any such acquisition without a material adverse effect on our business, financial condition and results of operations.

***Our Asia development platform is unproven and may not result in the competitive advantages we anticipate.***

We have built a development platform centered in Asia that is designed to enable us to accelerate the development of drugs which target Asia prevalent diseases and which we believe can generate data suitable for submission to regulators in the United States, Europe, China and Japan. While we have shown in certain cases that the data collected in Asia can be used for submission to regulators in other jurisdictions, we cannot guarantee this will hold true in the future. Furthermore, while we have shown in certain cases that the pharmacokinetics in Asian and Caucasian patients are similar, we cannot guarantee that this will hold true more generally or in the future, or with respect to other ethnicities. While we believe our platform in Asia offers us an opportunity to accelerate the development of novel therapies in diseases where either the diseases are more prevalent or the availability of suitable patients in clinical trials is greater, an Asia-focused development platform is a relatively novel approach to drug development and has not yet resulted in a proven track record of accelerated development or regulatory approval.

Furthermore, drug development focused in Asia may be subject to a number of risks and uncertainties. We cannot assure you that governments of Asian countries will not enact regulations or incentives that favor local pharmaceutical companies over foreign-owned pharmaceutical companies. Any developments in Asia that make clinical development costlier or more time-consuming could delay our development timelines and materially harm our business and results of operations.

***Our operations across Asia could be subject to natural disasters, health epidemics and other business disruptions, which could have a material adverse effect on our business, results of operation and financial condition.***

Our operations, and in particular our clinical trials, are being conducted across areas of Asia that may be prone to natural disasters, such as earthquakes, cyclones, monsoons and floods, which could cause interruptions to our operations. In addition, the areas in which our clinical trials could be adversely affected by the outbreak of influenza A (H1N1), avian influenza (H7N9), severe acute respiratory syndrome (SARS) or other pandemics. Any occurrence of these natural disasters or pandemic diseases or other adverse public health developments in the areas in which we operate our clinical trials could disrupt or delay our business operations or clinical development, which could materially adversely affect our business.

***Our business is subject to economic, political, regulatory and other risks associated with international operations.***

As a company based in Singapore with an Asia based development platform, our business is subject to risks associated with conducting business outside of the United States. Many of our suppliers and collaborative and clinical trial relationships are located outside the United States. Accordingly, our future results could be harmed by a variety of factors, including:

- economic weakness, including inflation, or political instability;
- differing and changing regulatory requirements for drug approvals;
- differing jurisdictions could present different issues for securing, maintaining or obtaining freedom to operate in such jurisdictions;
- potentially reduced protection for intellectual property rights;
- difficulties in compliance with local laws and regulations;
- changes in local regulations and customs, tariffs and trade barriers;
- changes in currency exchange rates, including the Singapore dollar, and currency controls;
- changes in a specific country’s or region’s political or economic environment;
- the relationship between Singapore and other countries, including China;
- trade protection measures, import or export licensing requirements or other restrictive actions;
- differing reimbursement regimes and price controls;
- negative consequences from changes in tax laws;
- compliance with tax, employment, immigration and labor laws for employees;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- difficulties associated with staffing and managing international operations, including differing labor relations;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities; and

- business interruptions resulting from geo-political actions, including war and terrorism, or natural disasters including typhoons, floods and fires.

More specifically, the economy in Asia differs from most developed markets in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange, government policy on public order and allocation of resources. In some of the Asian markets, governments continue to play a significant role in regulating industry development by imposing industrial policies. Moreover, some local governments also exercise significant control over the economic growth and public order in their respective jurisdictions through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policies, and providing preferential treatment to particular industries or companies. In addition, some Asian markets have experienced, and may in the future experience, political instability, including strikes, demonstrations, protests, marches, coups d'état, guerilla activity or other types of civil disorder. These instabilities and any adverse changes in the political environment could increase our costs, increase our exposure to legal and business risks, or disrupt our clinical operations.

**Risks Related to Our Intellectual Property**

***If we are unable to obtain or protect intellectual property rights related to our current product candidates or any future product candidates which we may develop, we may not be able to compete effectively in our market.***

We rely upon a combination of patents, trade secret protection, confidentiality agreements and proprietary know-how, and intend to seek marketing exclusivity for any approved product, in order to protect the intellectual property related to product candidates. The strength of patents in the biotechnology and pharmaceutical field involves complex legal and scientific questions and can be uncertain. The patent applications that we own or in-license may fail to result in issued patents with claims that cover our product candidates in the United States or in other foreign countries. If this were to occur, early generic competition could be expected against our product candidates. Even if patents do successfully issue, third parties may challenge their validity, enforceability or scope, which may result in such patents being invalidated or deemed as not infringing. Also, a third party may challenge our ownership of patents and patent applications assigned to us, or may challenge our exclusive rights to patents and patent applications that we license from third parties. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from designing around our claims. If the patent applications we hold with respect to our other product candidates fail to issue or if their breadth or strength of protection is threatened, it could dissuade companies from collaborating with us to develop them, and threaten our ability to commercialize any resulting products. We cannot offer any assurances about which, if any, applications will issue as patents or whether any issued patents will be found not invalid and not unenforceable or will go unthreatened by third parties. Further, if we encounter delays in regulatory approvals, the period of time during which we could market our product candidates under patent protection could be reduced. Furthermore, patent applications by third parties can result in an interference proceeding in the United States being invoked by a third party or instituted by us to determine who was the first to invent any of the subject matter covered by the patent claims of our applications or patents.

In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable, processes for which patents are difficult to enforce and any other elements of our drug development process that involve proprietary know-how, information or technology that is not covered by patents. Although we generally require all of our employees to assign their inventions to us, and all of our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information or technology to enter into confidentiality agreements, we cannot provide any assurances that all such agreements have been duly executed or that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. If we are unable to prevent material disclosure of the non-patented intellectual property related to our technologies to third parties, and there is no guarantee that we will have any such enforceable trade secret protection, we may not be able to establish or

maintain a competitive advantage in our market, which could materially adversely affect our business, results of operations and financial condition.

***We may not be able to protect our intellectual property and proprietary rights throughout the world.***

Filing, prosecuting, and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection but enforcement is not as strong as that in the United States. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets, and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our intellectual property and proprietary rights generally. Proceedings to enforce our intellectual property and proprietary rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property and proprietary rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Several countries have compulsory licensing laws under which, in certain circumstances, a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we or any of our licensors is forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations, and prospects may be adversely affected.

In China, the validity, enforceability and scope of protection available under the relevant intellectual property laws are uncertain and still evolving. Implementation and enforcement of Chinese intellectual property-related laws have historically been inconsistent. Accordingly, intellectual property and confidentiality legal regimes in China may not afford protection to the same extent as in the United States or other countries. Policing unauthorized use of proprietary technology is difficult and expensive, and we may need to resort to litigation to enforce or defend patents issued to us or to determine the enforceability, scope and validity of our proprietary rights or those of others. The experience and capabilities of Chinese courts in handling intellectual property litigation varies, and outcomes are unpredictable. Further, such litigation may require a significant expenditure of cash and may divert management’s attention from our operations, which could harm our business, financial condition and results of operations. An adverse determination in any such litigation could materially impair our intellectual property rights and may harm our business, prospects and reputation in China.

***If we fail to comply with our obligations in the agreements under which we license rights to technology from third parties, or if the license agreements are terminated for other reasons, we could lose license rights that are important to our business.***

We are a party to a number of technology licenses that are important to our business and expect to enter into additional licenses in the future. For example, our rights to *varlitinib* are the subject of an exclusive license

agreements with Array BioPharma Inc., or Array. If we fail to comply with our obligations under our agreement with Array (including, among other things, if we fail to use commercially reasonable efforts to develop and commercialize *varlitinib*) or our other license agreements, or we are subject to insolvency or liquidation, the licensor may have the right to terminate the license. In addition, under our agreement with Array, in the event of a change of control, we may be required to make additional payment to Array if the change of control meets specified conditions. In the event that any of our important technology licenses were to be terminated by the licensor, we would likely cease further development of the related program. See "Business—License and Collaboration Agreements" for a description of our license agreements, which includes a description of the termination provisions of these agreements.

We are generally also subject to all of the same risks with respect to protection of intellectual property that we license, as we are for intellectual property that we own, which are described elsewhere under "Risks Related to Our Intellectual Property." If we or our licensors fail to adequately protect this intellectual property, our ability to commercialize products could suffer.

***Third-party claims of intellectual property infringement may prevent or delay our development and commercialization efforts.***

Our commercial success depends in part on our avoiding infringement of the patents and proprietary rights of third parties. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interferences, oppositions and inter party reexamination proceedings before the U.S. Patent and Trademark Office, or the USPTO. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we and our collaborators are developing product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties.

Third parties may assert that we are employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. Because patent applications can take many years to issue, there may be currently pending patent applications which may later result in issued patents that our product candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of any of our product candidates, any drug substance formed during the manufacturing process or any final product itself, the holders of any such patents may be able to block our ability to commercialize such product candidate unless we obtain a license under the applicable patents, or until such patents are invalidated or expire. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover aspects of our formulations or methods of use, the holders of any such patent may be able to block our ability to develop and commercialize the applicable product candidate formulation or use unless we obtain a license or until such patent expires. In either case, such a license may not be available on commercially reasonable terms or at all.

Parties making claims against us may request and/or obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize one or more of our product candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products or manufacturing processes, which may be impossible or require substantial time and monetary expenditure. We cannot predict whether any such license would be available at all or whether it would be available on commercially reasonable terms. Furthermore, even in the absence of litigation, we may need to obtain licenses

from third parties to advance our research, manufacture clinical trial supplies or allow commercialization of our product candidates. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize one or more of our product candidates, which could harm our business significantly. We cannot provide any assurances that third-party patents do not exist which might be enforced against our products, resulting in either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties.

***We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time consuming and unsuccessful.***

Competitors may infringe our patents or the patents of our licensors. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. In addition, in an infringement proceeding, a court may decide that a patent of ours or our licensors is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly and could put our patent applications at risk of not issuing.

Interference proceedings provoked by third parties or brought by us may be necessary to determine the priority of inventions with respect to our patents or patent applications or those of our collaborators or licensors. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Our defense of litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. We may not be able to prevent, alone or with our licensors, misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the United States.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our ADSs.

***Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.***

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can (i) result in abandonment or lapse of, or (ii) otherwise affect the patentability of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we or our licensors that control the prosecution and maintenance of our licensed patents fail to maintain the patents and patent applications covering our product candidates, our competitors might be able to enter the market, which would have a material adverse effect on our business.

***We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties.***

We employ individuals who were previously employed at other biotechnology or pharmaceutical companies. We may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information of our employees' former employers or other third parties. We may also be subject to claims that former employers or other third parties have an ownership interest in our patents. Litigation may be necessary to defend against these claims. There is no guarantee of success in defending these claims, and if we are successful, litigation could result in substantial cost and be a distraction to our management and other employees.

***Although we have obtained orphan drug designation for varlitinib in gastric cancer and cholangiocarcinoma, a form of biliary tract cancer, in the United States, we may not be able to obtain or maintain the benefits associated with orphan drug status, including market exclusivity.***

Regulatory authorities in some jurisdictions, including the United States and the European Union, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the U.S. FDA may designate a drug as an orphan drug if it is intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States. We have obtained orphan drug designation for *varlitinib* in gastric cancer and cholangiocarcinoma from the U.S. FDA, as well as for *varlitinib* in biliary tract cancer from the Ministry of Food and Drug Safety in South Korea. Generally, if a drug with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug may be entitled to a period of marketing exclusivity, which precludes the U.S. FDA from approving another marketing application for the same molecule for the same indication for that time period. We can provide no assurance that another drug will not receive marketing approval prior to our product candidates. The applicable period is seven years in the United States and ten years in Japan and the European Union. The exclusivity period in the European Union can be reduced to six years if a drug no longer meets the criteria for orphan drug designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified. Orphan drug exclusivity may be lost if the U.S. FDA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition. In addition, even after a drug is granted orphan exclusivity and approved, the U.S. FDA can subsequently approve another drug for the same condition before the expiration of the seven year exclusivity period if the U.S. FDA, concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care.

***If our trademarks and tradenames are not adequately protected, then we may not be able to build name recognition in our markets and our business may be adversely affected.***

We have registered or applied to register certain trademarks to protect our company name and plan to apply to register trademarks to cover product names in the future once our product candidates are closer to commercialization. We cannot assure you that our trademark applications will be approved or that we will seek registered trademark protection for each of our product names in each jurisdiction in which we operate. During trademark registration proceedings, we may receive rejections. Although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in proceedings before the USPTO and in proceedings before comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition and could require us to devote resources toward advertising and marketing new brands. Further, we cannot assure you that competitors will not infringe our trademarks or that we will have adequate resources to enforce our trademarks.

**Risks Related to Commercialization of Our Product Candidates**

***Our commercial success depends upon attaining significant market acceptance of our product candidates, if approved, among physicians, healthcare payors, patients and the medical community.***

Even if we obtain regulatory approval for our product candidates, the product may not gain market acceptance among physicians, healthcare payors, patients and the medical community, which is critical to commercial success. Market acceptance of any product candidate for which we receive approval depends on a number of factors, including:

- the efficacy and safety as demonstrated in clinical trials;
- the timing of market introduction of the product candidate as well as competitive products;
- the clinical indications for which the product candidate is approved;
- acceptance by physicians, the medical community and patients of the product candidate as a safe and effective treatment and also the willingness of physicians to prescribe a drug based on an active pharmaceutical ingredient, or API, that is less familiar to them than other drug APIs;
- the convenience of prescribing and initiating patients on the product candidate;
- the potential and perceived advantages of such product candidate over alternative treatments;
- the cost of treatment in relation to alternative treatments, including any similar generic treatments;
- the availability of coverage and adequate reimbursement and pricing by third-party payors and government authorities;
- relative convenience and ease of administration;
- the prevalence and severity of adverse side effects; and
- the effectiveness of sales and marketing efforts.

If our product candidates are approved but fail to achieve an adequate level of acceptance by physicians, healthcare payors, patients and the medical community, we will not be able to generate significant revenue, and we may not become or remain profitable. In addition, even if any of our product candidates gain acceptance, the markets for the treatment of patients with our target indications may not be as significant as we estimate.

***Our organization has no prior sales and marketing experience and resources.***

We plan to start building a targeted commercial organization in 2018 in anticipation of the potential regulatory approval of *varlitinib* for biliary tract cancer and gastric cancer. We have never, as an organization, commercialized a product and there is no guarantee that we will be able to do so successfully. We will need to establish a commercial team and hire sales forces in the geographies where we are permitted and intend to market our drugs. We will also need to develop a marketing team and strategy in order to successfully market and sell our product candidates, which will require significant time and resources and the development of our ability to market and sell our product and generate revenues from our product candidates may be delayed or limited. We cannot assure you that our sales efforts will be effective or produce the results we expect. We will be competing with other pharmaceutical and biotechnology companies to recruit, hire, train and retain marketing and sales personnel. Further, we may face difficulties or delays in obtaining and maintaining the required licenses and permits to sell our product candidates in individual states and jurisdictions. If our commercialization of *varlitinib* or our other product candidates is unsuccessful or perceived as disappointing, the price of our ADSs could decline significantly and the long-term success of the product and our company could be harmed.

We may also seek to establish collaborations with pharmaceutical companies to maximize the potential of our products in other markets, and we may not be successful in establishing development and commercialization collaborations which could adversely affect, and potentially prohibit, our ability to develop our product candidates.

***If our planned targeted commercial organization in the United States and selected Asian markets is not as successful as we anticipate, we may be unable to generate any revenue.***

Although we intend to start building a targeted commercial organization in the future, we currently have no such organization or capabilities, and the cost of establishing and maintaining such an organization may exceed the cost-effectiveness of doing so. In order to market any products that may be approved, we must build sales, marketing, managerial and other non-technical capabilities or make arrangements with third parties to perform these services. We may enter into strategic partnerships with third parties to commercialize our product candidates.

***Part of our business strategy is to establish collaborative relationships to commercialize and fund development and approval of certain of our product candidates, in particular ASLAN004. We may not succeed in establishing and maintaining collaborative relationships, which may significantly limit our ability to develop and commercialize products, including ASLAN004, for which we pursue this commercialization strategy.***

We will need to establish and maintain successful collaborative relationships to obtain sales, marketing and distribution capabilities for the product candidates we do not intend to commercialize ourselves, in particular ASLAN004. The process of establishing and maintaining collaborative relationships is difficult, time-consuming and involves significant uncertainty, including:

- we may have limited control over the decisions of any partners and they may change the priority of any programs in a manner that would result in termination or significant delays to a partnered program;
- our ability to generate future payments and royalties from any partners will depend upon the ability of a partner to obtain regulatory approvals and achieve market acceptance of products developed from our product candidates;
- a partner may fail to properly initiate, maintain or defend our intellectual property rights, where applicable, or a party may use our proprietary information in such a way as to invite litigation that could jeopardize or potentially invalidate our proprietary information or expose us to potential liability;
- a partner may not devote sufficient capital or resources towards our product candidates; and,
- a partner may not comply with applicable government regulatory requirements necessary to successfully market and sell our products.

If any collaborator fails to fulfill its responsibilities in a timely manner, or at all, any clinical development, manufacturing or commercialization efforts pursuant to that collaboration could be delayed or terminated, or it may be necessary for us to assume responsibility for expenses or activities that would otherwise have been the responsibility of our collaborator. If we are unable to establish and maintain collaborative relationships on acceptable terms or to successfully and timely transition terminated collaborative agreements, we may have to delay or discontinue further development of one or more of our product candidates, undertake development and commercialization activities at our own expense or find alternative sources of capital.

Attempting to secure additional financing for a product candidate may also lead to the risks discussed under the risk factor titled “We will need to obtain substantial amounts of financing for our operations, and if we fail to obtain additional financing, we may be forced to delay, reduce or eliminate our product development programs or commercialization efforts” described above.

***We rely completely on third parties to manufacture our preclinical and clinical drug supplies and we intend to rely on third parties to produce commercial supplies of any approved product candidate.***

If we were to experience an unexpected loss of supply of our product candidates for any reason, whether as a result of manufacturing, supply or storage issues or otherwise, we could experience delays, disruptions, suspensions or terminations of, or be required to restart or repeat, clinical trials. We do not currently have nor do

we plan to acquire the infrastructure or capability internally to manufacture our preclinical and clinical drug supplies and we lack the resources and the capability to manufacture any of our product candidates on a clinical or commercial scale. The facilities used by our contract manufacturers or other third-party manufacturers to manufacture our product candidates must be approved by the U.S. FDA, CFDA or other regulators pursuant to inspections. While we work closely with our third-party manufacturers on the manufacturing process for our product candidates, including quality audits, we generally do not control the implementation of the manufacturing process of, and are completely dependent on, our contract manufacturers or other third-party manufacturers for compliance with cGMP regulatory requirements and for manufacture of both active drug substances and finished drug products. If our contract manufacturers or other third-party manufacturers cannot successfully manufacture material that conforms to applicable specifications and the strict regulatory requirements of the U.S. FDA, CFDA or other regulators, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. In addition, we have no control over the ability of our contract manufacturers or other third-party manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the U.S. FDA, CFDA or other regulators do not approve these facilities for the manufacture of our product candidates or if they withdraw any such approval in the future, we may need to find alternative manufacturing facilities, which could take several years and would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved.

We rely on our manufacturers to purchase from third-party suppliers the materials necessary to produce our product candidates for our clinical trials. There are a limited number of suppliers for raw materials that we use to manufacture our product candidates and there may be a need to assess alternate suppliers to prevent a possible disruption of the manufacture of the materials necessary to produce our product candidates for our clinical trials, and if approved, for commercial sale. We do not have any control over the process or timing of the acquisition of these raw materials by our manufacturers. Although we generally do not begin a clinical trial unless we believe we have a sufficient supply of a product candidate to complete the clinical trial, any significant delay in the supply of a product candidate, or the raw material components thereof, for an ongoing clinical trial due to the need to replace a contract manufacturer or other third-party manufacturer could considerably delay completion of our clinical trials, product testing and potential regulatory approval of our product candidates. If our manufacturers or we are unable to purchase these raw materials after regulatory approval has been obtained for our product candidates, the commercial launch of our product candidates would be delayed or there would be a shortage in supply, which would impair our ability to generate revenue from the sale of our product candidates.

We expect to continue to depend on contract manufacturers or other third-party manufacturers for the foreseeable future, and our requirements for and dependence upon these third-party manufacturers will increase when and if one or more of our product candidates is approved and commercialized. Other than Sterling Pharma Solutions, we have not entered into long-term commercial supply agreements with our current contract manufacturers or with any alternate fill/finish suppliers. Although we intend to do so prior to any commercial launch of our product candidates, if approved by the U.S. FDA, in order to ensure that we maintain adequate supplies of finished drug product, we may be unable to enter into such an agreement or do so on commercially reasonable terms, which could have a material adverse impact upon our business, including delaying a product launch or subjecting our commercialization efforts to significant supply risk. Even if we are able to enter into long-term agreements with manufacturers for commercial supply on reasonable terms, we may be unable to do so with sufficient time prior to the launch of our product candidates, which would expose us to substantial supply risk and potentially jeopardize our launch. See “Business—Manufacturing” for additional information.

***Manufacturing issues may arise that could increase product and regulatory approval costs or delay commercialization.***

As we scale up manufacturing of our product candidates and conduct required stability testing, product, packaging, equipment and process-related issues may require refinement or resolution in order to proceed with our planned clinical trials and obtain regulatory approval for commercial marketing. In the future, we may identify impurities, which could result in increased scrutiny by the regulatory agencies, delays in our clinical

program and regulatory approval, increases in our operating expenses, or failure to obtain or maintain approval for our product candidates.

***Guidelines and recommendations published by various organizations can reduce the use of our product candidates.***

Government agencies promulgate regulations and guidelines directly applicable to us and to our product candidates. In addition, professional societies, such as practice management groups, private health and science foundations and organizations involved in various diseases from time to time may also publish guidelines or recommendations to the healthcare and patient communities. Recommendations of government agencies or these other groups or organizations may relate to such matters as usage, dosage, route of administration and use of concomitant therapies. Recommendations or guidelines suggesting the reduced use of our product candidates or the use of competitive or alternative products as the standard of care to be followed by patients and healthcare providers could result in decreased use of our product candidates.

***We face significant competition from other biopharmaceutical companies, and our operating results will suffer if we fail to compete effectively.***

Our industry is intensely competitive and subject to rapid and significant technological change. While we believe that our Asia based development platform, knowledge, experience and scientific resources provide us with competitive advantages, we face substantial competition from multinational pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies, universities and other research institutions worldwide. For example, there are several targeted therapies currently in clinical development targeting specific subsets of biliary tract cancer, including *ivosidenib* being developed by Agios Pharmaceuticals, Inc., ARQ087 being developed by Arqule, Inc. and *lenvatinib* being developed by Eisai Inc. In addition, *trastuzumab* is approved in combination with chemotherapy for the treatment of first-line HER2-positive metastatic gastric cancer and there are other drugs approved for later lines of treatment including Eli Lilly and Company's *ramucirumab* and Merck & Co., Inc.'s *pembrolizumab*. There are several other drugs in clinical development for first-line gastric cancer, including BMS' *nivolumab* and *pembrolizumab*. Puma Biotechnology, Inc.'s *neratinib* is approved in adjuvant breast cancer, but is not currently being developed in gastric cancer or biliary tract cancer.

Many of our competitors have significantly greater financial, clinical and human resources. Additionally, small and early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. As a result, our competitors may discover, develop, license or commercialize products before or more successfully than we do. Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries. Our competitors may succeed in developing, acquiring or licensing on an exclusive basis drug products or drug delivery technologies that are more effective or less costly than our product candidates that we are currently developing or that we may develop.

We believe that our ability to successfully compete will depend on, among other things:

- the efficacy and safety of our product candidates, including as relative to marketed products and product candidates in development by third parties;
- the time it takes for our product candidates to complete clinical development and receive marketing approval;
- the ability to commercialize and market any of our product candidates that receive regulatory approval;
- the price of our products;
- whether coverage and adequate levels of reimbursement are available under private and governmental health insurance plans, including Medicare;

- the ability to protect intellectual property rights related to our product candidates;
- the ability to manufacture on a cost-effective basis and sell commercial quantities of any of our product candidates that receive regulatory approval; and
- acceptance of any of our product candidates that receive regulatory approval by physicians and other healthcare providers.

If our competitors market products that are more effective, safer or less expensive than our future products, if any, or that reach the market sooner than our future products, if any, we may not achieve commercial success. Because we have limited research and development capabilities, it may be difficult for us to stay abreast of the rapid changes in technology. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our technologies or product candidates obsolete, less competitive or not economical.

***Price controls may adversely affect our future profitability.***

In certain countries, prescription drug pricing and reimbursement is subject to governmental control. In those countries that impose price controls, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we or our strategic partners may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidates to other available therapies.

Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In certain markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we or our strategic partners might obtain marketing approval for a product candidate in a particular country, but then be subject to price regulations that delay commercial launch of the product candidate, possibly for lengthy time periods, and negatively impact the revenue that we generate from the sale of the product in that country. If reimbursement of such product candidates is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, or if there is competition from lower priced cross-border sales, our profitability will be negatively affected.

***Legislative or regulatory healthcare reforms may make it more difficult and costly for us to obtain regulatory clearance or approval of our product candidates and to produce, market and distribute our products after clearance or approval is obtained.***

From time to time, legislation is drafted and introduced that could significantly change the statutory provisions governing the regulatory clearance or approval, manufacture and marketing of regulated products or the reimbursement thereof. In addition, U.S. FDA regulations and guidance are often revised or reinterpreted by the U.S. FDA in ways that may significantly affect our business and our products. Any new regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of our product candidates. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could, among other things, require:

- changes to manufacturing methods;
- change in clinical trial design, including additional treatment arm (control);
- recall, replacement or discontinuance of one or more of our products; and
- additional recordkeeping.

Each of these would likely entail substantial time and cost and could harm our business and our financial results.

In addition, in the United States, there have been a number of legislative and regulatory proposals to change the health care system in ways that could affect our ability to sell our products profitably. The pharmaceutical industry in the United States, as an example, has been affected by the passage of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, collectively PPACA, which, among other things, imposed new fees on entities that manufacture or import certain branded prescription drugs and expanded pharmaceutical manufacturer obligations to provide discounts and rebates to certain government programs. Since its enactment, there have been judicial and Congressional challenges to certain aspects of PPACA, as well as recent efforts by the Trump administration to repeal or replace certain aspects of PPACA. Since January 2017, President Trump has signed two Executive Orders designed to delay the implementation of any certain provisions of PPACA or otherwise circumvent some of the requirements for health insurance mandated by PPACA. The Trump administration has also announced that it will discontinue the payment of cost-sharing reduction, or CSR, payments to insurance companies until Congress approves the appropriation of funds for the CSR payments. The loss of the CSR payments is expected to increase premiums on certain policies issued by qualified health plans under PPACA. A bipartisan bill to appropriate funds for CSR payments has been introduced in the Senate, but the future of that bill is uncertain. In addition, The Centers for Medicare and Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services, has recently proposed regulations that would give states greater flexibility in setting benchmarks for insurers in the individual and small group marketplaces, which may have the effect of relaxing the essential health benefits required under the PPACA marketplaces. Further, each chamber of Congress have put forth multiple bills this year designed to repeal or repeal and replace portions of PPACA. Although none of these measures have been enacted by Congress to date, Congress may consider other legislation to repeal and replace elements of PPACA. Congress will likely consider other legislation to replace elements of PPACA. We continue to evaluate the effect that PPACA and its possible repeal and replacement has on our business. It is uncertain the extent to which any such changes may impact our business or financial condition.

Further, there has been particular and increasing legislative and enforcement interest in the United States with respect to drug pricing practices in recent years, particularly with respect to drugs that have been subject to relatively large price increases over relatively short time periods. There have been several recent Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. In the future, there will likely continue to be proposals relating to the reform of the U.S. healthcare system, some of which could further limit coverage and reimbursement of drug products, including our product candidates. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. Our results of operations could be adversely affected by PPACA and by other health care reforms that may be enacted or adopted in the future.

***It may be difficult for us to profitably sell any future products that may be approved if coverage and reimbursement for these products is limited by government authorities and/or third-party payor policies.***

In addition to any healthcare reform measures which may affect reimbursement, market acceptance and sales of our product candidates, if approved, will depend on, in part, the extent to which our products will be covered by third-party payors, such as government health care programs, commercial insurance and managed care organizations. These third-party payors determine the extent to which new drugs will be covered as a benefit under their plans and the level of reimbursement for any covered product. It is difficult to predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our product candidates.

A primary trend in the healthcare industry has been cost containment, including price controls, restrictions on coverage and reimbursement and requirements for substitution of generic products and/or biosimilars. Third-party payors decide which drugs they will pay for and establish reimbursement and co-payment levels. Government and other third-party payors are increasingly challenging the prices charged for health care products,

examining the cost effectiveness of drugs in addition to their safety and efficacy, and limiting or attempting to limit both coverage and the level of reimbursement for prescription drugs. We cannot be sure that coverage will be available for our product candidates, if approved, or, if coverage is available, the level of reimbursement.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, the principal decisions about reimbursement for new medicines are typically made by CMS, as CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare. Private payors may follow CMS, but have their own methods and approval processes for determining reimbursement for new medicines. It is difficult to predict what CMS or other payors will decide with respect to reimbursement for fundamentally novel products such as ours, as there is no body of established practices and precedents for these new products.

Reimbursement may impact the demand for, and/or the price of, any product for which we obtain marketing approval. Assuming we obtain coverage for a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. Patients who are prescribed medications for the treatment of their conditions, and their prescribing physicians, generally rely on third-party payors to reimburse all or part of the costs associated with their prescription drugs. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover all or a significant portion of the cost of our products. Therefore, coverage and adequate reimbursement is critical to new product acceptance. Coverage decisions may depend upon clinical and economic standards that disfavor new drug products when more established or lower cost therapeutic alternatives are already available or subsequently become available. There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the U.S. FDA or comparable foreign regulatory authorities. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution.

We expect to experience pricing pressures in connection with the sale of any of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations, and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs, medical devices and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the successful commercialization of new products. Further, the adoption and implementation of any future governmental cost containment or other health reform initiative may result in additional downward pressure on the price that we may receive for any approved product.

Reimbursement by a third-party payor may depend upon a number of factors including the third-party payor’s determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time-consuming and costly process that could require us to provide supporting scientific, clinical and cost effectiveness data for the use of our products to the payor. Further, no uniform policy requirement for coverage and reimbursement for drug products exists among third-party payors in the United States. Therefore, coverage and reimbursement for drug products can differ significantly from payor to payor. As a result, the coverage determination process may require us to provide scientific and clinical support for the use of our products to each

payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. We may not be able to provide data sufficient to gain acceptance with respect to coverage and/or sufficient reimbursement levels. We cannot be sure that coverage or adequate reimbursement will be available for our product candidates, if approved. Also, we cannot be sure that reimbursement amounts will not reduce the demand for, or the price of, our future products. If reimbursement is not available, or is available only to limited levels, we may not be able to commercialize our product candidates, or achieve profitably at all, even if approved.

***Reimbursement may not be immediately available for our product candidates in China, which could diminish our sales or affect our profitability.***

In China, the Ministry of Human Resources and Social Security of China or provincial or local human resources and social security authorities, together with other government authorities, review the inclusion or removal of drugs from China's National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance, or the National Reimbursement Drug List, or the NRDL, or provincial or local medical insurance catalogues for the National Medical Insurance Program regularly, and the tier under which a drug will be classified, both of which affect the amounts reimbursable to program participants for their purchases of those drugs. These determinations are made based on a number of factors, including price and efficacy.

In February 2017, the Ministry of Human Resources and Social Security of China released a new edition of the NRDL. Prior to this, the last update of the NRDL occurred in 2009. Given the period of time between updates, it may take several years following approval of our product candidates to be included in the NRDL, if ever.

***We may be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws and health information privacy and security laws. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.***

If we obtain U.S. FDA approval for any of our product candidates and begin commercializing those products in the United States, our operations may be directly or indirectly through our customers, subject to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we research, market, sell and distribute our products. In addition, we may be subject to patient privacy regulation by both the federal government and the states in which we conduct our business. The laws that may affect our ability to operate include:

The U.S. Anti-Kickback Statute prohibits, among other things, any person or entity from knowingly and willfully offering, paying, soliciting, receiving or providing any remuneration, directly or indirectly, overtly or covertly, to induce or in return for purchasing, leasing, ordering or arranging for or recommending the purchase, lease or order of any item or service reimbursable, in whole or in part, under Medicare, Medicaid or other U.S. federal healthcare programs. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution.

The U.S. federal false claims and civil monetary penalties laws, including the False Claims Act, or FCA, which prohibit any person or entity from, among other things, knowingly presenting, or causing to be presented, a false, fictitious or fraudulent claim for payment to, or approval by, the U.S. federal government or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to the U.S. federal government. As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes "any request or demand" for money or property presented to the U.S. government. In addition, manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. The FCA also permits a private individual acting as a "whistleblower" to bring actions on behalf of the federal government alleging

violations of the FCA and to share in any monetary recovery. FCA liability is potentially significant in the healthcare industry because the statute provides for treble damages and mandatory penalties per false claim or statement. Government enforcement agencies and private whistleblowers have investigated pharmaceutical companies for or asserted liability under the FCA for a variety of alleged promotional and marketing activities, such as providing free product to customers with the expectation that the customers would bill federal programs for the product; providing consulting fees and other benefits to physicians to induce them to prescribe products; engaging in promotion for "off-label" uses; and submitting inflated best price information to the Medicaid Rebate Program.

HIPAA prohibits, among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services.

The Physician Payments Sunshine Act, enacted as part of PPACA, imposes, among other things, annual reporting requirements for covered manufacturers for certain payments and "transfers of value" provided to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members.

HIPAA, as amended by HITECH, and their respective implementing regulations, impose, among other things, specified requirements relating to the privacy, security and transmission of individually identifiable health information held by covered entities and their business associates. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in U.S. federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions. In addition, state laws govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Many U.S. states and other foreign jurisdictions have analogous laws and regulations, such as state anti-kickback and false claims laws, that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers. In addition, certain states require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. In addition, recent health care reform legislation has strengthened these laws. For example, recent health care reform legislation, has among other things, amended the intent requirement of the federal anti-kickback and criminal healthcare fraud statutes. A person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. Moreover, recent health care reform legislation provides that the government may assert that a claim including items or services resulting from a violation of the federal anti-kickback statute constitutes a false or fraudulent claim for purposes of the FCA.

Ensuring that our business arrangements with third parties comply with applicable healthcare laws and regulations will likely be costly. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations were found to be in violation of any of these

laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, possible exclusion from government funded healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, and curtailment of our operations, any of which could substantially disrupt our operations. If the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

***We are subject to U.S. and foreign anti-corruption and anti-money laundering laws with respect to our operations and non-compliance with such laws can subject us to criminal and/or civil liability and harm our business.***

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and possibly other state and national anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, third-party intermediaries, joint venture partners and collaborators from authorizing, promising, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. We engage third party investigators, CROs, and other consultants to design and perform preclinical studies of our product candidates, and will do the same for any clinical trials. Also, once a product candidate has been approved and commercialized, we may engage third party intermediaries to promote and sell our products abroad and/or to obtain necessary permits, licenses, and other regulatory approvals. We or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, collaborators, partners, and agents, even if we do not explicitly authorize or have actual knowledge of such activities.

Noncompliance with anti-corruption and anti-money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas, investigations, or other enforcement actions are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. In certain cases, enforcement authorities may even cause us to appoint an independent compliance monitor which can result in added costs and administrative burdens.

***The incidence and prevalence for target patient populations of our product candidates are based on estimates and third-party sources. If the market opportunities for our product candidates are smaller than we estimate or if any approval that we obtain is based on a narrower definition of the patient population, our revenue and ability to achieve profitability might be materially and adversely affected.***

Periodically, we make estimates regarding the incidence and prevalence of target patient populations for particular diseases based on various third-party sources and internally generated analysis and use such estimates in making decisions regarding our drug development strategy, including acquiring or in-licensing product candidates and determining indications on which to focus in preclinical or clinical trials.

These estimates may be inaccurate or based on imprecise data. For example, the total addressable market opportunity will depend on, among other things, acceptance of our drugs by the medical community and patient

access, drug pricing and reimbursement. The number of patients in the addressable markets may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our drugs, or new patients may become increasingly difficult to identify or gain access to, all of which may significantly harm our business, financial condition, results of operations and prospects.

**Risks Related to our ADSs and This Offering**

***The price of our ADSs may be volatile and may fluctuate due to factors beyond our control.***

The trading market for publicly traded emerging biopharmaceutical and drug discovery and development companies has been highly volatile and is likely to remain highly volatile in the future. The market price of our ADSs may fluctuate significantly due to a variety of factors, including:

- positive or negative results from, or delays in, testing and clinical trials by us, collaborators or competitors;
- technological innovations or commercial product introductions by us or competitors;
- changes in government regulations;
- developments concerning proprietary rights, including patents and litigation matters;
- public concern relating to the commercial value or safety of our product candidates;
- financing, collaborations or other corporate transactions;
- publication of research reports or comments by securities or industry analysts;
- general market conditions in the pharmaceutical industry or in the economy as a whole;
- the loss of any of our key scientific or senior management personnel;
- the perceived values of our ordinary shares trading on the TPEx and our ADSs relative to one another;
- sales of our ADSs or ordinary shares by us, our senior management and board members or holders of our ADSs or our ordinary shares in the future; or
- other events and factors, many of which are beyond our control.

These and other market and industry factors may cause the market price and demand for our ADSs to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their ADSs and may otherwise negatively affect the liquidity of our ADSs. In addition, the stock market in general, and biopharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. In the past, when the market price of a security has been volatile, holders of that security have sometimes instituted securities class action litigation against the issuer. If any of the holders of our ADSs were to bring such a lawsuit against us, we could incur substantial costs defending the lawsuit and the attention of our senior management would be diverted from the operation of our business. Any adverse determination in litigation could also subject us to significant liabilities.

***There has been no public market for our ADSs prior to this offering, and an active market may not develop in which investors can resell our ADSs.***

Prior to this offering, there has been no public market for our ADSs. We cannot predict the extent to which an active market for our ADSs will develop or be sustained after this offering, or how the development of such a market might affect the market price for our ADSs. The initial public offering price of our ADSs in this offering has been agreed upon between us and the underwriters based on a number of factors, including the trading price of our ordinary shares on the TPEx as of the date of this prospectus, as well as certain market conditions in effect at the time of this offering, which may not be indicative of the price at which our ADSs will trade following

completion of this offering. Investors may not be able to sell their ADSs at or above the initial public offering price. In addition, investors may not be able to successfully withdraw the underlying ordinary shares of our ADSs for the reasons discussed under the risk factor titled "You may not be able to withdraw the underlying ordinary shares of our ADSs" described below. In connection with any withdrawal of any of our ordinary shares represented by ADSs, our ADSs will be surrendered to the depositary. Unless additional ADSs are issued, the effect of such transactions will be to reduce the number of outstanding ADSs and, if a significant number of transactions are effected, to reduce the liquidity of our ADSs. See "Description of American Depositary Shares."

***Restrictions on the ability to deposit our ordinary shares into our American depositary receipt facility may adversely affect the liquidity of our ADSs.***

The ability to deposit our ordinary shares into our American depositary receipt facility for the issuance of ADSs is restricted by Republic of China, or ROC, law, which may adversely affect the liquidity of our ADSs. Under current ROC law and the Deposit Agreement, no person or entity, including the holders of ADSs and us, may deposit our ordinary shares in our American depositary receipt facility for the issuance of ADRs without specific approval of the Financial Supervisory Commission, or FSC, unless:

(i) we pay stock dividends on, or make a free distribution of, our ordinary shares;

(ii) the ADS holder exercises pre-emptive rights in the event of capital increases for cash; or

(iii) investors purchase our ordinary shares, directly or through the depositary, on the TPEx, and deliver our ordinary shares to the custodian for deposit into our American depositary receipt facility, or our existing shareholders deliver our ordinary shares to the custodian for deposit into our American depositary receipt facility.

With respect to (iii) above, the depositary may issue ADSs against the deposit of those shares only if the total number of ADSs outstanding following the deposit will not exceed the number of ADSs previously approved by the FSC, plus any ADSs issued pursuant to the events described in items (i) and (ii) above. Issuance of additional ADSs under item (iii) above will be permitted to the extent that a corresponding number of previous ADSs have been cancelled.

***The price of our ADSs may be limited by the trading price of our ordinary shares on the TPEx.***

Our ordinary shares have been listed on the TPEx since June 1, 2017 under the code "6497." From June 1, 2017 through , 2018, the closing price of our ordinary shares on the TPEx ranged from NT$ per share to NT$ per share (which would be approximately $ per share to $ per share, based on the exchange rate in effect as of , 2018). The TPEx sets certain limitations on the trading volatility of our ordinary shares and applicable ROC law requires the price at which our ADSs are issued in this offering to not be lower than 90% of the closing price of our ordinary shares on the pricing date of this offering or an average of closing prices a certain number of days prior to the pricing date of this offering. In addition, there is currently a ten percent limit on the daily price movement on the TPEx. As a result of these limitations, the potential increase in trading price of any ADSs that you may purchase in this offering may be materially limited based on the perceived value of our ordinary shares on the TPEx. Similarly, decreases in the trading price of our ordinary shares on the TPEx due to the perceptions of investors in that market, which may be different from your own, may impact the value of your investment.

***The cross listing of our ordinary shares and our ADSs following this offering may adversely affect the liquidity and value of our ADSs.***

We cannot predict the effect of this cross listing on the value of our ordinary shares and ADSs. However, the cross listing of our ordinary shares and our ADSs may dilute the liquidity of these securities in one or both markets and may adversely affect the development of an active trading market for our ADSs in the United States.

The price of our ADSs could also be adversely affected by trading in our ordinary shares on the TPEx. In addition, currency fluctuations as between the New Taiwan dollar and U.S. dollar may have an adverse impact on the value of our ADSs.

***We will incur increased costs as a result of operating as a public company in the United States, and our senior management will be required to devote substantial time to new compliance initiatives and corporate governance practices.***

As a public company, and particularly after we no longer qualify as an "emerging growth company," or EGC, we will incur significant legal, accounting and other expenses that we did not incur previously. The Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of The Nasdaq Stock Market LLC, or Nasdaq, and other applicable securities rules and regulations impose various requirements on non-U.S. reporting public companies, including the establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our senior management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, which in turn could make it more difficult for us to attract and retain qualified senior management personnel or members for our board of directors.

However, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we will be required to furnish a report by our senior management on our internal control over financial reporting. However, while we remain an EGC we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To prepare for eventual compliance with Section 404, once we no longer qualify as an EGC, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

***You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law, we conduct substantially all of our operations and all of our directors and executive officers reside outside of the United States.***

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our Fifth Amended and Restated Memorandum and Articles of Association, or our Articles, the Companies Law (2016 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England and Wales, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. Similarly, the rights of our

shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States, and some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies do not have standing to sue before the federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Although our shareholders are permitted by our Articles to request access to our books and records, our directors have discretion under our Articles to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. To the extent we choose to follow home country practice with respect to corporate governance matters, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Law of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see “Description of Share Capital and Governing Documents—Material Differences in Corporate Law.”

***Future sales, or the possibility of future sales, of a substantial number of our ADSs or ordinary shares could adversely affect the price of our ADSs.***

Future sales of a substantial number of our ADSs or ordinary shares, or the perception that such sales will occur, could cause a decline in the market price of our ADSs. ADSs issued and sold in this offering may be resold in the U.S. public market immediately without restriction. A portion of our ordinary shares outstanding prior to the completion of this offering held by our directors, officers and other holders of an aggregate of approximately of our ordinary shares outstanding, or %, will be subject to the lock-up agreements described in “Ordinary Shares and ADSs Eligible for Future Sale” and “Underwriting.” If, after the end of such lock-up agreements, these shareholders sell substantial amounts of our securities in the public markets, or the market perceives that such sales may occur, the market price of our ADSs and our ability to raise capital through an issue of equity securities in the future could be adversely affected.

***If you purchase ADSs in this offering, you will suffer immediate dilution of your investment.***

We expect the initial public offering price of our ADSs in this offering to be substantially higher than the as adjusted net tangible book value per ADS, and per underlying ordinary share, prior to this offering. Therefore, if you purchase ADSs in this offering, you will pay a price per ADSs, and per underlying ordinary share, that substantially exceeds our net tangible book value per ADS, and per underlying ordinary share, after this offering. To the extent outstanding options are exercised for ordinary shares, you may experience further dilution. Based on the assumed initial public offering price of $ per ADS, you will experience immediate dilution of $ per ADS, representing the difference between our as adjusted net tangible book value per ADS after giving effect to this offering and the offering price. See “Dilution.”

***We may sell additional equity or debt securities or enter into other financing arrangements to fund our operations, which may result in dilution to our shareholders and holders of our ADSs and impose restrictions on our business.***

In order to raise additional funds to support our operations, we may sell additional equity or debt securities, which could adversely impact our existing shareholders and new investors participating in this offering, as well as our business. The sale of additional equity or debt securities, or a combination of both, would result in the issuance of additional shares capital and dilution to our shareholders and holders of our ADSs.

The incurrence of indebtedness would result in increased fixed payment obligations and could also result in certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In the event that we enter into collaborations or licensing arrangements to raise capital, we may be required to accept unfavorable terms, including relinquishing or licensing to a third party on unfavorable terms our rights to technologies or product candidates that we otherwise would seek to develop or commercialize ourselves or potentially reserve for future potential arrangements when we might be able to achieve more favorable terms.

***Because we do not anticipate paying any cash dividends on our ADSs or ordinary shares in the foreseeable future, capital appreciation, if any, will be your sole source of potential gains and you may never receive a return on your investment.***

We have not paid cash dividends in the past on our ordinary shares. We intend to retain earnings, if any, for use in our business and do not anticipate paying any cash dividends in the foreseeable future. As a result, capital appreciation, if any, on our ADSs or ordinary shares will be your sole source of potential gains for the foreseeable future, and you will suffer a loss on your investment if you are unable to sell your ADSs or the underlying ordinary shares at or above the price you pay for our ADSs or ordinary shares. Investors seeking cash dividends should not purchase our ADSs in this offering.

***We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.***

Our senior management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our ADSs. The failure by our senior management to apply these funds effectively could result in financial losses, cause the price of our ADSs to decline and delay the development of our product candidates. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

***Purchasers of our ADSs may not have the same voting rights as the holders of our ordinary shares and may not receive voting materials in time to be able to exercise their right to vote.***

Except as described in this prospectus, holders of our ADSs will not be able to exercise voting rights attaching to the ordinary shares represented by our ADSs on an individual basis. Holders of our ADSs will appoint the depositary or its nominee as their representative to exercise the voting rights attaching to the ordinary shares in the form of ADSs in accordance with the deposit agreement. Purchasers of ADSs in this offering may not receive voting materials in time to instruct the depositary to vote, and it is possible that they, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote. In certain cases, the shares represented by your ADSs may be voted contrary to your instructions and you may be deemed to have instructed the depositary to give a discretionary proxy to a person we designate to vote shares represented by your ADSs in such person’s discretion. Furthermore, the depositary will not be liable for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, purchasers of ADSs in this offering may not be able to exercise voting rights and may lack recourse if their shares represented by ADSs are not voted as requested. In addition, in their capacity as ADS holders, purchasers of our ADSs will not be able to call a shareholders’ meeting.

***You may not be able to withdraw the underlying ordinary shares of our ADSs.***

Pursuant to ROC law, an ADS holder who is a non-ROC person wishing to withdraw and hold deposited ordinary shares from the ADS facility is required to appoint an eligible agent in the ROC for filing tax returns and making tax payments, or a Tax Guarantor. Such Tax Guarantor will be required to meet the qualifications set by the Ministry of Finance of the ROC and will act as the guarantor of the withdrawing ADS holder's tax payment obligations. In addition, subject to certain limited exceptions, under current ROC law, repatriation of profits by a non-ROC withdrawing ADS holder is subject to the submission of evidence by the withdrawing ADS holder of the appointment of a Tax Guarantor to, and approval thereof by, the ROC tax authority and of tax clearance certificates or evidentiary documents issued by the Tax Guarantor. We cannot provide any assurances that a withdrawing ADS holder will be able to appoint and obtain approval from the tax authority in a timely manner or at all.

Pursuant to ROC law, an ADS holder who is not an ROC person or ROC entity wishing to present ADSs to the depositary for cancellation and withdrawal and holding of the Deposited Securities from the depositary receipt facility is required to register as a foreign investor with the Taiwan Stock Exchange, or TWSE, if the ADS holder has never been registered as foreign investor with the TWSE previously, for making investments in the ROC securities market prior to withdrawing and holding the underlying ordinary shares from the depositary receipts facility.

Additionally, pursuant to ROC law, such withdrawing ADS holder is required to appoint a local agent in the ROC to, on such ADS holder's behalf, open a securities trading account with prior approval granted by the TWSE with a local securities brokerage firm (with qualification set by the FSC) and a bank account, pay ROC taxes, remit funds, exercise shareholder rights and perform such other functions as the ADS holder may designate upon such withdrawal. In addition, such withdrawing ADS holder is also required to appoint a custodian bank and open a custodian account to hold the securities and cash in safekeeping, make confirmations, settle trades and report all relevant information. Without making such appointment and the opening of such custodian account, the withdrawing ADS holder would be unable to hold or subsequently sell the deposited ordinary shares withdrawn from the ADR facility on the TPEx. The laws of the ROC applicable to the withdrawal of the underlying ordinary shares may change from time to time. We cannot provide any assurances that current law will remain in effect or that future changes of ROC law will not adversely affect the ability of ADS holders to withdraw deposited ordinary shares.

***Purchasers of our ADSs may not receive distributions on our ordinary shares in the form of ADSs or any value for them if it is illegal or impractical to make them available to holders of ADSs.***

The depositary for our ADSs has agreed to pay to purchasers of our ADSs the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses and certain taxes. Purchasers of our ADSs will receive these distributions in proportion to the number of our ordinary shares their ADSs represent. However, in accordance with the limitations set forth in the deposit agreement, it may be unlawful or impractical to make a distribution available to holders of ADSs. We have no obligation to take any other action to permit the distribution of our ADSs, ordinary shares, rights or anything else to holders of our ADSs. This means that purchasers of our ADSs may not receive the distributions we make on our ordinary shares or any value from them if it is unlawful or impractical to make them available to ADS holders. These restrictions may have a negative impact on the market value of our ADSs.

***Purchasers of our ADSs may be subject to limitations on transfer of their ADSs.***

ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason in accordance with the terms of the deposit agreement.

***The rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation.***

Our corporate affairs are governed by our Articles and by the laws governing Cayman Islands corporations and companies engaging in drug development, marketing and sales businesses, as well as by the common law of the Cayman Islands. Certain rights and responsibilities of our shareholders, ADS holders and members of our board of directors under Cayman law are different from those that apply to a Delaware corporation. For example, Directors of Cayman Islands exempted companies are required to observe certain fiduciary duties. These duties are owed to the Cayman Islands company and include the duty to act in the best interests of the company and the shareholders as a whole. However, the fiduciary duties of a director of a Cayman Islands exempted company may not be the same as the fiduciary duty of a director of a U.S. corporation. In addition, controlling shareholders of U.S. corporations owe fiduciary duties to minority shareholders, while shareholders (including controlling shareholders) of Cayman Islands companies owe no fiduciary duties to either to the company or to other shareholders. Further, the rights of our shareholders to bring shareholders' suits against us or our board of directors under Cayman Islands law are much more limited than those of shareholders of a U.S. corporation. For example, under Cayman Islands law, a shareholder who wishes to bring a claim against a director would generally need to obtain permission from the courts to bring a derivative action, in the name of the company, against the director. This is because the director of a Cayman Islands exempted company owes duties to the company and not to individual shareholders. As a result, our shareholders may have more difficulty protecting their rights in connection with actions taken by our directors than they would as shareholders of a U.S. corporation. In addition, minority shareholders in a Cayman Islands exempted company have more limited rights than minority shareholders in a U.S. corporation in relation to mergers and similar transactions that the company may carry out. For example, if a merger under the Companies Law involving a Cayman Islands exempted company is approved by the requisite majority of shareholders, a dissenting minority shareholder would have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Such dissenter rights differ substantially from the appraisal rights, which would ordinarily be available to dissenting shareholders of Delaware corporations. Further, if a takeover offer is made to the shareholders of a Cayman Islands exempted company and accepted by holders of 90% of the shares affected, the offeror may require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion. A minority shareholder in this scenario would have no rights comparable to the appraisal rights which would generally be available to a dissenting shareholder of a U.S. corporation in similar circumstances. See the section of this prospectus titled "Description of Share Capital and Governing Documents" for a description of the principal differences between the provisions of Cayman law applicable to us and the U.S. Delaware General Corporate Law relating to shareholders' rights and protections.

***We qualify as a foreign private issuer and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that permit less detailed and less frequent reporting than that of a U.S. domestic public company.***

Upon the closing of this offering, we will report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; (ii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K upon the occurrence of specified significant events. In addition, our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules thereunder. Therefore, our shareholders may not know on a timely basis when our officers, directors and principal shareholders purchase or sell our ordinary shares or ADSs. In addition, foreign private issuers are not required to

file their annual report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers also are exempt from Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, you may not have the same protections afforded to shareholders of companies that are not foreign private issuers.

***As a foreign private issuer, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with corporate governance listing standards.***

As a foreign private issuer, we are permitted to take advantage of certain provisions in the Nasdaq listing rules that allow us to follow ROC law for certain governance matters. Certain corporate governance practices in the ROC may differ significantly from corporate governance listing standards. When our ADSs are listed on The Nasdaq Global Market, we intend to continue to follow ROC corporate governance practices in lieu of certain corporate governance requirements of Nasdaq. See "Management—Foreign Private Issuer Exemption." Therefore, our shareholders may be afforded less protection than they otherwise would have under corporate governance listing standards applicable to U.S. domestic issuers.

***We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.***

As discussed above, we are a foreign private issuer, and therefore, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act. The determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter. We would lose our foreign private issuer status if, for example, more than 50% of our ordinary shares are directly or indirectly held by residents of the United States and we fail to meet additional requirements necessary to maintain our foreign private issuer status. If we lose our foreign private issuer status on this date, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, we will lose our ability to rely upon exemptions from certain corporate governance requirements under the Nasdaq listing rules. As a U.S. listed public company that is not a foreign private issuer, we will incur significant additional legal, accounting and other expenses that we will not incur as a foreign private issuer, and accounting, reporting and other expenses in order to maintain a listing on a U.S. securities exchange. These rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors and more expensive to procure director and officer liability insurance.

***We are an EGC and we cannot be certain if the reduced reporting requirements applicable to "emerging growth companies" will make our ADSs less attractive to investors.***

We are an EGC as defined in the JOBS Act. For as long as we continue to be an EGC, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not EGCs, including not being required to comply with the auditor attestation requirements of Section 404, exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. As an EGC, we are able to report only two years of financial results and selected financial data compared to three and five years, respectively, for comparable data reported by other public companies. We may take advantage of these exemptions until we are no longer an EGC. We could be an EGC for up to five years, although circumstances could cause us to lose that status earlier, including if the aggregate market value of our ADSs and ordinary shares held by non-affiliates exceeds $700 million as of the end of our second fiscal quarter before that time, in which case we would no longer be an

EGC as of the following December 31st (the last day of our fiscal year). We cannot predict if investors will find our ADSs less attractive because we may rely on these exemptions. If some investors find our ADSs less attractive as a result, there may be a less active trading market for our ADSs and the price of our ADSs may be more volatile.

***If we fail to maintain an effective system of internal controls over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our ADSs.***

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404, or any subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Inadequate internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our ADSs.

Management will be required to assess the effectiveness of our internal controls annually. However, for as long as we are an EGC under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404. An independent assessment of the effectiveness of our internal controls could detect problems that our management's assessment might not. Undetected material weaknesses in our internal controls could lead to financial statement restatements requiring us to incur the expense of remediation and could also result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

***If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our ADSs and our trading volume could decline.***

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. If no or too few securities or industry analysts provide coverage or if one or more of the analysts who cover us downgrade our ADSs or publish inaccurate or unfavorable research about our business, the price of our ADSs would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our ADSs could decrease, which might cause the price of our ADSs and trading volume to decline.

***Our U.S. ADS Holders may suffer adverse tax consequences if we are characterized as a passive foreign investment company.***

Generally, if for any taxable year (i) 75% or more of our gross income is passive income, or (ii) at least 50% of the average quarterly value of our assets are held for the production of, or produce, passive income, we would be characterized as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. For purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties and capital gains. Based on estimates of our gross income and gross assets (including tangible assets and intangible assets based on the anticipated market value of our ordinary shares), our intended use of proceeds of this offering, and the nature of our business, we expect to be classified as a PFIC for the taxable year ending December 31, 2017 and for future taxable years. There can be no assurance, however, regarding our PFIC status for any taxable year. If we are characterized as a PFIC, our U.S. shareholders may suffer adverse tax consequences, including having gains realized on the sale of our ordinary

shares treated as ordinary income, rather than as capital gain, the loss of the preferential rate applicable to dividends received on our ordinary shares by individuals who are U.S. Holders (as defined in "Material Income Tax Considerations—Material U.S. Federal Income Tax Considerations for U.S. Holders"), and having interest charges apply to distributions by us and the proceeds of share sales and having to comply with certain reporting requirements. Certain elections exist that may alleviate some of the adverse consequences of PFIC status and would result in an alternative treatment (such as mark-to-market treatment) of our ordinary shares; however, we do not intend to provide the information necessary for U.S. holders to make qualified electing fund elections if we are classified as a PFIC.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "potential," "continue" and "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. The forward-looking statements and opinions contained in this prospectus are based upon information available to us as of the date of this prospectus and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Forward-looking statements include statements about:

- the outcome, cost and timing of our product development activities and clinical trials;
- our plans and expected timing with respect to regulatory filings and approvals;
- our ability to fund our operations beyond this offering;
- our plans to develop and commercialize our product candidates and expand our development pipeline;
- the plans of our competitors to develop and commercialize product candidates and expand their development pipelines;
- the size and growth potential of the markets for our product candidates, and our ability to serve those markets;
- our sales and marketing strategies and plans;
- potential market acceptance of our product candidates;
- potential regulatory developments in the United States and foreign countries;
- the performance of our third-party suppliers and manufacturers;
- our ability to compete with other therapies that are or become available;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;
- our use of the net proceeds from this offering;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing; and
- our expectations regarding the terms of our patents and ability to obtain and maintain intellectual property protection for our product candidates.

You should refer to the section titled "Risk Factors" for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

## MARKET PRICE INFORMATION FOR OUR ORDINARY SHARES

Our ordinary shares have been listed on the TPEx since June 1, 2017 under the code "6497." The following table sets forth, for the periods indicated, the high and low sales prices of our ordinary shares on the TPEx in New Taiwan dollars. On , 2018, the closing price of our ordinary shares on the TPEx was NT$ per share.

| | NT$ High | NT$ Low |
|---|---|---|
| Year ended December 31, 2017 | | |
| Second Quarter (from June 1) | 59.80 | 43.80 |
| Third Quarter | 44.55 | 33.35 |
| Fourth Quarter (through December 18) | 49.75 | 31.45 |
| Month ended 2017, | | |
| June | 59.80 | 43.80 |
| July | 44.55 | 38.05 |
| August | 42.20 | 33.35 |
| September | 43.45 | 35.55 |
| October | 49.75 | 39.50 |
| November | 40.30 | 34.75 |
| December (through December 18) | 36.80 | 31.45 |
| Month ended 2018, | | |
| January | | |

There are currently limits on the range of daily price movements on the TPEx. Fluctuations in the price of securities traded on the TPEx is restricted to 10% above and below the previous day's closing.

## INDUSTRY AND MARKET DATA

This prospectus includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties, as well estimates by our management based on such data. The market data and estimates used in this prospectus involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such data and estimates. While we believe that the information from these industry publications, surveys and studies is reliable, the industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of important factors, including those described in the section titled "Risk Factors." These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

## TRADEMARKS, SERVICE MARKS AND TRADENAMES

The ASLAN Pharmaceuticals lion logo and other trademarks or service marks of ASLAN Pharmaceuticals Limited appearing in this prospectus are our property. Solely for convenience, the trademarks, service marks, logos and trade names referred to in this prospectus are without the ® and ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names. This prospectus contains additional trademarks, service marks and trade names of others, which are the property of their respective owners. All trademarks, service marks and trade names appearing in this prospectus are, to our knowledge, the property of their respective owners. We do not intend our use or display of other companies' trademarks, service marks, copyrights or trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

## USE OF PROCEEDS

We estimate that the net proceeds from the sale of ADSs in this offering will be approximately $ million, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, based on the assumed initial public offering price of $ per ADS. If the underwriters exercise their over-allotment option in full, we estimate that the net proceeds to us from this offering will be approximately $ million, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per would increase (decrease) the net proceeds to us from this offering by $ million, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the underwriting discounts and commissions. An increase (decrease) of 1.0 million in the number of ADSs we are offering would increase (decrease) the net proceeds to us from this offering by $ million, assuming the assumed initial public offering price remains the same, and after deducting the underwriting discounts and commissions.

The principal purposes of this offering are to increase our financial flexibility and create a public market in the United States for our securities. We currently expect to use the net proceeds from this offering, together with existing cash on hand, to continue to invest in the clinical development of our product candidates, including for the following planned and ongoing clinical trials:

- global pivotal clinical trial for *varlitinib* in biliary tract cancer;
- China pivotal clinical trial for *varlitinib* in biliary tract cancer;
- global Phase 2/3 clinical trial for *varlitinib* in gastric cancer;
- global clinical trials for ASLAN003 in AML; and
- ASLAN004 preclinical and Phase 1 clinical trials.

In connection with these trials, a portion of the net proceeds will also be used for manufacturing activities in preparation for a potential commercial launch. The remaining net proceeds, if any, are expected to fund new and other ongoing research and development activities, working capital and other general corporate purposes. We currently do not expect the net proceeds from this offering will be sufficient to cover all of the expenses of the Phase 3 part of our global Phase 2/3 clinical trial for *varlitinib* in gastric cancer.

This expected use of the net proceeds from this offering represents our intentions based upon our current plans and prevailing business conditions, which could change in the future as our plans and prevailing business conditions evolve. Predicting the cost necessary to develop product candidates can be difficult and the amounts and timing of our actual expenditures may vary significantly depending on numerous factors, including the progress of our development, the status of and results from clinical trials, any collaborations that we may enter into with third parties for our product candidates and any unforeseen cash needs. As a result, our management will retain broad discretion over the allocation of the net proceeds from this offering.

Pending the application of the net proceeds as described above, we plan to invest them in short-term, interest bearing obligations, investment-grade instruments or certificates of deposit.

## DIVIDEND POLICY

We have never declared or paid a dividend, and we do not anticipate declaring or paying dividends in the foreseeable future. We intend to retain all available funds and any future earnings to fund the development and expansion of our business.

Under Cayman Islands law, dividends may be paid only out of profits, which include net earnings and retained earnings undistributed in prior years, and out of share premium, a concept analogous to paid-in surplus in the United States. No dividend may be declared and paid unless our directors determine that immediately after the payment, we will be able to satisfy our liabilities as they become due in the ordinary course of business and we have funds lawfully available for such purpose. We are not permitted to pay any dividends or bonuses if (a) we do not have earnings or (b) we have not yet covered our losses. Our Articles sets out further detailed provisions dealing with how we may fund, create reserves for and pay dividends. See “Description of Share Capital and Governing Documents.”

## CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2016 on:

- an actual basis; and
- an as adjusted basis to give effect to the sale of ADSs in this offering at the assumed initial public offering price of $ per ADS after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this information together with our audited consolidated financial statements appearing elsewhere in this prospectus and the information set forth under the sections titled "Selected Consolidated Financial Data," "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

| | As of December 31, 2016 | |
|---|---|---|
| | Actual | As Adjusted |
| | (in thousands, except share and per share amounts) | |
| Cash and cash equivalents | $ 51,737 | $ |
| Long-term borrowings | $ 8,336 | $ |
| Equity: | | |
| Ordinary shares, NT$10.00 par value per share, 200,000,000 shares authorized, 115,670,940 shares issued and outstanding, actual; shares issued and outstanding, as adjusted | 36,710 | |
| Capital surplus | 55,256 | |
| Accumulated deficit | (50,391) | |
| Total equity | 41,575 | |
| Total capitalization | $ 49,911 | $ |

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per ADS would increase (decrease) the as adjusted amount of each of cash and cash equivalents, total equity and total capitalization by $ million, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions. An increase (decrease) of 1.0 million in the number of ADSs offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the as adjusted amount of each of cash and cash equivalents, total equity and total capitalization by $ million, assuming no change in the assumed initial public offering price per ADS as set forth on the cover page of this prospectus.

The number of ordinary shares outstanding in the table above does not include:

- 13,916,922 ordinary shares issuable on the exercise of share options outstanding as of December 31, 2016 under our equity incentive plans, at a weighted-average exercise price of $0.71 per ordinary share; and
- 3,376,618 ordinary shares authorized for issuance pursuant to future awards under our equity incentive plans as of December 31, 2016.

## DILUTION

If you invest in our ADSs in this offering, your interest will be immediately diluted to the extent of the difference between the portion of the initial public offering price per ADS in this offering attributable to each underlying ordinary share represented thereby and the net tangible book value per ordinary share after this offering. Dilution results from the fact that the portion of the initial public offering price per ADS attributable to each underlying ordinary share represented thereby is substantially in excess of the net tangible book value per ordinary share. As of December 31, 2017, we had a historical net tangible book value of $ million, or $ per ordinary share and $ per ADS. Our net tangible book value per ordinary share represents total tangible assets less total liabilities, all divided by the number of ordinary shares outstanding on December 31, 2017.

After giving effect to the sale of ADSs in this offering at the assumed initial public offering price of $ per ADS and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, our as adjusted net tangible book value at December 31, 2017 would have been $ per ordinary share and $ per ADS. This represents an immediate increase in as adjusted net tangible book value of $ per ordinary share to existing investors and immediate dilution of $ per ordinary share and $ per ADS to new investors. The following table illustrates this dilution to new investors purchasing ADSs in this offering:

| | Per Ordinary Share | Per ADS |
|---|---|---|
| Assumed initial public offering price per ADS | $ | $ |
| Net tangible book value per ordinary share and per ADS as of December 31, 2017 | | |
| Increase in as adjusted net tangible book value per ordinary share and per ADS attributable to new investors purchasing ADSs in this offering | | |
| As adjusted net tangible book value per ordinary share and per ADS after this offering | | |
| Dilution per ordinary share and per ADS to new investors in this offering | $ | $ |

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per ADS would increase (decrease) our as adjusted net tangible book value as of December 31, 2017 after this offering by approximately $ per ADS, and would increase (decrease) dilution to new investors by $ per ADS, assuming that the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the underwriting discounts and commissions. An increase (decrease) of 1.0 million ADSs in the number of ADSs we are offering would increase (decrease) our as adjusted net tangible book value as of December 31, 2017 after this offering by approximately $ per ADS, and would increase (decrease) dilution to new investors by approximately $ per ADS, assuming the assumed initial public offering price per ADS remains the same, and after deducting the estimate underwriting discounts and commissions. The as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriters exercise their over-allotment option in full, the as adjusted net tangible book value per ADS after the offering would be $ , the increase in net tangible book value per ADS to existing shareholders would be $ , and the immediate dilution in net tangible book value per ADS to new investors in this offering would be $ .

The table and discussion above is based on ordinary shares outstanding as of December 31, 2017 and does not include:

- ordinary shares issuable on the exercise of share options outstanding as of December 31, 2017 under our equity incentive plans, at a weighted-average exercise price of $ per ordinary share; and

- ordinary shares authorized for issuance pursuant to future awards under our equity incentive plans as of December 31, 2017.

To the extent that share options are issued under our equity incentive plans, or we issue additional ordinary shares in the future, there will be further dilution to new investors participating in this offering.

## SELECTED CONSOLIDATED FINANCIAL DATA

The following tables summarize our selected consolidated financial data for the periods and as of the dates indicated. The selected consolidated statements of comprehensive loss data for the years ended December 31, 2016 and 2017 and the selected consolidated balance sheets data as of December 31, 2016 and 2017 have been derived from our audited consolidated financial statements, which have been prepared in accordance with IFRS, as issued by the IASB, and audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), and included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future. The following summary consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements included elsewhere in this prospectus.

| | Year ended December 31, | |
|---|---|---|
| | 2016 | 2017 |
| | (in thousands, except share and per share data) | |
| **Selected Consolidated Statements of Comprehensive Loss Data:** | | |
| **Net revenue** | $ 11,547 | $ |
| **Cost of revenue** | (125) | |
| **Operating expenses** | | |
| General administrative expenses | (6,957) | |
| Research and development expenses | (13,165) | |
| **Loss from operations** | (8,700) | |
| **Non-operating income and expenses** | | |
| Other gains, net | 175 | |
| Finance costs | (524) | |
| Total non-operating income (expenses) | (349) | |
| **Loss before income tax** | (9,049) | |
| **Income tax expense** | — | |
| **Net loss** | (9,049) | |
| **Total comprehensive loss** | (9,049) | |
| **Loss per share, basic and diluted** | (0.09) | |
| Weighted-average shares used to calculate losses per share attributable to ordinary shareholders, basic and diluted | 105,027,040 | |

| | As of December 31, | |
|---|---|---|
| | 2016 | 2017 |
| | (in thousands) | |
| **Selected Consolidated Balance Sheets Data:** | | |
| Cash and cash equivalents | $51,737 | $ |
| Working capital(1) | 49,317 | |
| Total assets | 53,714 | |
| Total equity | 41,575 | |

(1) We define working capital as current assets minus current liabilities. See our consolidated financial statements included elsewhere in this prospectus for further details regarding our current assets and current liabilities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes appearing elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of this prospectus, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.*

### Overview

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

Our lead program, *varlitinib*, is a reversible small molecule pan-HER inhibitor that targets the human epidermal growth factor receptors HER1, HER2 and HER4. *Varlitinib* is currently being studied in a global pivotal clinical trial for biliary tract cancer for which we expect to report topline data in 2019. We are also conducting a global Phase 2/3 clinical trial of *varlitinib* for gastric cancer for which we expect to report topline Phase 2 data in the second half of 2018.

We focus on cancers, such as gastric cancer and biliary tract cancer, that are orphan diseases in the United States and Europe for which there are few, if any, approved therapies. Although registration trials for orphan diseases may require fewer patients, recruitment for such trials in the United States and Europe is challenging given the limited availability of suitable patients. Asia offers a unique opportunity to accelerate the development of novel therapies in diseases where either the cancers are more prevalent or the availability of suitable patients is greater.

Since our inception in 2010, we have devoted substantially all of our resources to acquiring rights to, and developing our product candidates, including preclinical studies and clinical trials and providing general and administrative support for our operations. We have not generated any revenue from product sales and we do not currently have any products approved for commercialization. We have financed our operations through a combination of debt and equity financings and government grants. Since inception we have raised $125.0 million from the sale of our ordinary shares including $33.0 million in a public offering conducted in Taiwan on June 1, 2017 and our ordinary shares are listed on the TPEx. We recorded $11.5 million of revenue for the year ended December 31, 2016, which was generated primarily through out-licensing activities. To date we have outsourced our manufacturing and clinical operations to third parties. We do not intend to operate our own clinical trials or build or acquire infrastructure for manufacturing our drugs for clinical or commercial supply. All of our clinical supplies are manufactured in accordance with cGMP using high quality contract manufacturing organizations based in the United States, Europe and Asia.

As of December 31, 2016, we had cash and cash equivalents of $51.7 million. We have never been profitable and have incurred significant net losses in each period since our inception. Our net losses were $9.0 million for the year ended December 31, 2016. As of December 31, 2016, we had an accumulated deficit of $50.4 million. Substantially all of our losses have resulted from funding our research and development programs and general and administrative costs associated with our operations. We expect to continue to incur significant expenses and

operating losses for the foreseeable future. We expect our expenses will increase substantially in connection with our ongoing activities as we:

- continue to invest in the clinical development of our product candidates, including in connection with the following planned and ongoing clinical trials:
  - global pivotal clinical trial for *varlitinib* in biliary tract cancer;
  - China pivotal clinical trial for *varlitinib* in biliary tract cancer;
  - global Phase 2/3 clinical trial for *varlitinib* in gastric cancer;
  - global clinical trials for ASLAN003 in AML;
  - ASLAN004 preclinical and Phase 1 clinical trials; and
  - any additional clinical trials that we may conduct for product candidates;
- identify and acquire new product candidates;
- engage third parties to manufacture product candidates for clinical trials and, if any product candidates are approved, for commercialization;
- establish a sales, marketing and distribution infrastructure;
- maintain, expand and protect our intellectual property portfolio; and
- incur additional costs with operating as a U.S. public company upon the completion of this offering.

We will continue to require additional capital to support our operating activities as we advance our product candidates through clinical development, regulatory approval and, if any of our product candidates are approved, commercialization. The amount and timing of our future funding requirements will depend on many factors, including the pace and results of our product development efforts.

**Out-licensing Agreements**

To date, we have out-licensing arrangements with BMS and Hyundai.

*BMS*

On November 2, 2011, we entered into a license agreement with BMS, pursuant to which we received exclusive rights to develop and commercialize ASLAN002 in China, Australia, South Korea, Taiwan and other selected Asian countries, and BMS retained exclusive rights in the rest of the world. On July 19, 2016, BMS initiated their rights pursuant to the agreement to buy back the exclusive rights from us to develop and commercialize ASLAN002. In connection with the buy-back, we received an upfront payment of $10.0 million in 2016, and are eligible to receive additional payments upon BMS's achievement of development and regulatory milestones in the future. Furthermore, we are eligible to receive royalty payments on future worldwide sales generated by BMS. BMS also purchased from us research materials, supplies, research documentation and clinical trial results related to ASLAN002 for $1.2 million, which was paid in 2016. As BMS has assumed the responsibility for all development and commercialization activities and expenses and we have no further obligations under the license agreement, we have recognized $11.2 million in revenue for the year ended December 31, 2016. Since the conditions enabling capitalization of research and development costs related to ASLAN002 as an asset were not met and the research supplies related to ASLAN002 had no alternative future uses if the project is abandoned, all research and development expenditures were recognized in profit or loss when incurred. As a result, no cost of revenue was recorded in connection with the revenue recognized for the year ended December 31, 2016.

*Hyundai*

On October 30 2015, we entered into a collaboration and license agreement with Hyundai, pursuant to which we granted Hyundai to the right to develop and commercialize *varlitinib* for the treatment of cholangiocarcinoma in

South Korea. In consideration of the rights granted to Hyundai under the agreement, we received an upfront payment of $0.3 million from Hyundai in 2016. As we are not obligated to perform further activities, such payment was recognized as revenue, and the related cost of royalty in the amount of $0.1 million paid to one of the third parties with whom we have 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.

**In-licensing Agreements**

We are required to make milestone payments upon the achievement of certain development, regulatory and commercial milestones and royalties based on the net sales of the licensed products and therefore, we expect our results of operations will continue to be affected by these agreements. In 2016, we made a payment of less than $0.1 million to Exploit Technologies Pte Ltd. to acquire their license that was capitalized as intangible assets. We have not made any other payments related to the in-license agreements. See “Business—License and Collaboration Agreements” for a description of our license agreements, which includes a description of the termination provisions of these agreements.

**Financial Operations Overview**

***Revenue***

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from product sales until our product candidates receive regulatory approval. For the year ended December 31, 2016, revenues consisted primarily of milestone payments received under out-licensing arrangements, as described above.

***Cost of Revenue***

In connection with the upfront payment that we received from Hyundai in 2016, we made a $0.1 million payment to one of the third parties with whom we have a licensing agreement, and such payment was recognized as costs of revenue for the year ended December 31, 2016.

***Research and Development Expenses***

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

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

Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical

trials. Accordingly, we expect research and development costs to increase significantly for the foreseeable future as our programs progress. However, we do not believe that it is possible at this time to accurately project total program-specific expenses through commercialization. Our expenditures on current and future preclinical and clinical development programs are subject to numerous uncertainties in timing and cost to completion. In addition, we may enter into additional collaboration arrangements for our product candidates which could affect our development plans or capital requirements.

We allocate direct costs to product candidates when they enter into clinical development. For product candidates in clinical development, we allocate development and manufacturing costs to our product candidates on a program-specific basis, and we include these costs in the program-specific expenses.

***General and Administrative Expenses***

General and administrative expenses consist of personnel costs, allocated expenses and other expenses for outside professional services, including legal, audit and accounting services. Personnel costs consist of salaries, bonuses, benefits and stock-based compensation. Other general and administrative expenses include facility-related costs not otherwise allocated to research and development expense, professional fees, expenses associated with obtaining and maintaining patents and costs of our information systems. We anticipate that our general and administrative expenses will continue to increase in the future as we increase our headcount to support our continued research and development and potential commercialization of our product candidates, as well as expenses related to compliance with the rules and regulations of the Securities and Exchange Commission, additional insurance expenses, investor relation activities and other administrative and professional fees.

***Non-Operating Income and Expenses***

***Other Gains, Net***

Other gains are primarily net gains from realized and unrealized currency exchange differences incurred during the period.

***Finance Costs***

Finance costs are interest expenses primarily from the Singapore Economic Development Board, or EDB, repayable grant and the loan facility with CSL Finance Pty. Ltd., or CSL Finance, as well as dividend accruals for preference shares from January to May 2016, all of which were converted into ordinary shares on May 27, 2016 in connection with our initial public offering in Taiwan. As of December 31, 2016, there were no amounts outstanding under this facility.

**Results of Operations**

***Year Ended December 31, 2016***

The following table sets forth a summary of our consolidated results of operations for the periods indicated. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus. Our operating results in any period are not necessarily indicative of the results that may be expected for any future period.

| | Year ended December 31, 2016 (in thousands) |
|---|---|
| **Net revenue** | 11,547 |
| **Cost of revenue** | (125) |
| **Operating expenses** | |
| General and administrative expenses | (6,957) |
| Research and development expenses | (13,165) |
| **Loss from operations** | (8,700) |
| **Non-operating income and expenses** | |
| Other gains, net | 175 |
| Finance costs | (524) |
| Total non-operating income (expenses) | (349) |
| **Loss before income tax** | (9,049) |
| **Income tax expense** | — |
| **Net loss** | (9,049) |
| **Total comprehensive loss** | (9,049) |

***Revenue***

Revenue was $11.5 million for the year ended December 31, 2016, consisting primarily of an upfront milestone payment of $10.0 million from BMS, a payment of $1.2 million from BMS for the sale of research materials, supplies, research documentation and clinical trial results related to ASLAN002, as well as a payment of $0.3 million from Hyundai related to the out-licensing of *varlitinib* in South Korea.

***General and Administrative***

General and administrative expenses for the year ended December 31, 2016 were $7.0 million. These expenses consisted primarily of $4.1 million in staff salaries and benefits, $0.5 million in travel costs, $0.7 million of fund raising costs, $1.1 million in consultancy, market research, professional services and administration costs and $0.6 million of general corporate costs.

***Research and Development***

Research and development expenses for the year ended December 31, 2016 were $13.2 million, consisting of expenditures relating to clinical development and clinical manufacturing work performed for our various product candidates. The majority of the costs incurred related to our lead product candidate, *varlitinib*.

***Other Gains, Net***

Other net gains for the year ended December 31, 2016 was $0.2 million, consisting primarily of realized and unrealized foreign exchange gains.

***Finance Costs***

Finance costs for the year ended December 31, 2016 were $0.5 million, consisting primarily of interest expense related to interest accrued on long-term borrowings.

***Net Loss Attributable to Ordinary Shareholders***

As a result of the foregoing, for the year ended December 31, 2016, we had a net loss attributable to ordinary shareholders of $9.0 million.

**Liquidity and Capital Resources**

Since our inception, we have incurred net losses and negative cash flows from our operations. We incurred net losses of $9.0 million for the year ended December 31, 2016. Net cash used in operating activities was $5.8 million for the year ended December 31, 2016. At December 31, 2016, we had an accumulated deficit during our developmental stage of $50.4 million, working capital of $49.3 million and cash and cash equivalents of $51.7 million.

***Cash Flows***

*Net Cash Used in Operating Activities*

The use of cash resulted primarily from our net losses adjusted for non-cash charges and changes in components of our operating assets and liabilities. The primary cash inflow was generated from the consideration received for the out-licensing of experimental drugs. The primary use of our cash was to fund the development of our research and development activities, regulatory and other clinical trial costs, and related supporting administration. Our prepayments and other current assets, accounts payable and other payables balances were affected by the timing of vendor invoicing and payments.

Net cash used in operating activities was $5.8 million for the year ended December 31, 2016 and consisted primarily of a net loss of $9.0 million offset in part by a $2.0 million increase in trade payables and $1.4 million in compensation costs of employee share options and $0.2 million relating to unrealized foreign exchange gains.

*Net Cash Used in Investing Activities*

Net cash used in investing activities was $0.5 million for the year ended December 31, 2016 and consisted primarily of $0.4 million in payments for property, plant, and equipment.

*Net Cash Provided by Financing Activities*

Net cash provided by financing activities was $31.0 million for the year ended December 31, 2016, which was primarily due to the net proceeds from our private financings in 2016.

***Sources of Liquidity and Plan of Operation***

We have not achieved profitability since our inception and we expect to continue to incur net losses for the foreseeable future. We expect our cash expenditures to increase in the near term as we fund future clinical trials for our lead program, *varlitinib*, as well as clinical trials of our other product candidates and continuing preclinical activities. We are already a publicly-traded company in Taiwan on the TPEx. Following this offering, we will also be a publicly-traded company in the U.S. and will incur more significant legal, accounting and other expenses. We expect compliance with U.S. rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly.

We believe that, based upon our current operating plan, our existing capital resources, together with the net proceeds from this offering, will be sufficient to fund our anticipated operations for at least the next 12 months, including development of *varlitinib*, development activities for our other additional product candidates, and for other discovery and development activities. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. If our planned preclinical and clinical trials are successful, or our other product candidates enter clinical trials or advance beyond the discovery stage, we will need to raise substantial additional financing in the future to fund our operations. In order to meet these additional cash requirements, we may incur debt, out-license certain intellectual property and seek to sell additional equity or convertible securities that may result in dilution to our stockholders. If we raise additional funds through the issuance of equity or convertible securities, these securities could have rights or preferences senior to those of our ADSs and ordinary shares and any indebtedness could contain covenants that restrict our operations. There can be no assurance that we will be able to obtain additional equity or debt financing on terms acceptable to us, if at all.

*EDB Repayable Grant*

On April 27, 2011, EDB awarded us a repayable grant, or the Grant, not exceeding approximately $7.4 million (SG$10 million) to support our drug development activities over a five-year qualifying period commencing February 24, 2011, or the Project. The Project was successfully implemented, resulting in substantially the full amount of the Grant being disbursed to us.

In the event any of our clinical product candidates achieve commercial approval after Phase 3 clinical trials, we will be required to repay the funds disbursed to us under the Grant plus interest of 6%. Until we have fulfilled our repayment obligations under the Grant, we have ongoing update and reporting obligations to the EDB. In the event we breach any of our ongoing obligations under the Grant, EDB can revoke the Grant and demand that we repay the funds disbursed to us under the Grant.

As of December 31, 2016, the amount of funds disbursed to us plus accrued interest was approximately $8.3 million.

*CSL Loan Facility*

We have a loan facility with CSL Finance Pty Ltd. Amounts drawn down under the facility are repayable ten years from the date of the facility agreement. Interest on the facility is computed at 6% plus LIBOR and is payable on a quarterly basis. Amounts outstanding under the facility are required to be prepaid upon a successful product launch or our initial public offering. As of December 31, 2016, approximately $4.1 million was available to borrow under the facility.

**Contractual Obligations and Commitments**

The following is a summary of our contractual cash obligations as of December 31, 2016 (in thousands).

| | Total | Less than 1 year | 2 – 3 years | 4 – 5 years | More than 5 years |
|---|---|---|---|---|---|
| **Operating lease obligations(1)** | 794 | 309 | 485 | — | — |
| **Total contractual obligations** | 794 | 309 | 485 | — | — |

(1) Operating lease obligations reflect lease payments for our office space in Singapore, Taipei, Taiwan and Shanghai, China.

The table above does not include:

- our repayment obligations under the EDB repayable grant, which are contingent on future events, and which as of December 31, 2016 was approximately $8.3 million; and

- potential additional payments we may be obligated to make in the future to our license and collaboration partners which are contingent on future events. See the section entitled “Business—License and Collaboration Agreements” for additional information, including the conditions under which we may be obligated to make these payments.

**Purchase Commitments**

Other than amounts as described above, we have no material non-cancelable purchase commitments with contract manufacturers or service providers as we have generally contracted on a cancelable basis.

**Off-Balance Sheet Arrangements**

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined by applicable SEC regulations.

**Quantitative and Qualitative Disclosures about Market Risk**

Our financial risk management objective is to monitor and manage the financial risks relating to our operations. These risks include risks in financial markets (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. In order to minimize the effect of financial risks, we devote time and resources to identifying and evaluating the uncertainty of the financial market to mitigate risk exposures.

Our activities expose us primarily to risks of changes in foreign currency exchange rates, interest rates and other price risks.

*Foreign Exchange Risk*

We have foreign currency transactions, which expose us to foreign currency risks. The significant financial assets and liabilities denominated in foreign currencies as of December 31, 2016 were as follows:

| | December 31, 2016 | | |
|---|---|---|---|
| | Foreign Currencies | Exchange Rate | Carrying Amount |
| Financial assets | | | |
| Monetary items | | | |
| SG$ | SG$ 1,627,096 | 0.6916 | US$1,125,364 |
| Financial liabilities | | | |
| Monetary items | | | |
| SG$ | SG$12,051,989 | 0.6916 | US$8,335,631 |

A hypothetical rate change of 5% is 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. Based on outstanding foreign currency-denominated monetary items, a 5% weakening of the U.S. dollar against the Singapore dollar would result in a $0.4 million increase to net loss and decrease to equity for the year ended December 31, 2016.

*Interest Rate Risk*

We are exposed to interest rate risk because we have historically borrowed and from time to time may borrow funds at both fixed and floating interest rates. Our interest rate risk was mainly concentrated in the fluctuation of the benchmark interest rates arising from long-term borrowings.

The sensitivity analysis below was determined based on our exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A hypothetical 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. A 100 basis points increase in interest rates with all other variables held constant would result in a $0.1 million increase to our net loss and decrease to equity for the year ended December 31, 2016.

**Critical Accounting Policies and Significant Judgments and Estimates**

***Critical Accounting Policies***

Summarized below are our accounting policies that we believe are important to the portrayal of our financial results and also involve the need for management to make estimates about the effect of matters that are uncertain in nature. Actual results may differ from these estimates, judgments and assumptions. Certain accounting policies are particularly critical because of their significance to our reported financial results and the possibility that future events may differ significantly from the conditions and assumptions underlying the estimates used and judgments made by our management in preparing our financial statements. The following discussion should be read in conjunction with our consolidated financial statements and related notes, which are included in this prospectus.

*Revenue Recognition*

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

We recognize revenue when we have completed the out-licensing of the experimental drug to business partners, such partners have accepted the products, and collectability of the related receivables is reasonably assured.

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

*Realization of Deferred Income Tax Assets*

When we have net operating loss carry forwards or temporary differences in the amount of tax recorded for tax purposes and accounting purposes, we may be able to reduce the amount of tax that we would otherwise be required to pay in future periods. We generally recognize deferred tax assets to the extent that it is probable that sufficient taxable benefits will be available to utilize. The income tax benefit or expense is recorded when there is a net change in our total deferred tax assets and liabilities in a period. The ultimate realization of the deferred tax assets depends upon the generation of future taxable income during the periods in which the net operating losses and temporary differences become deductible may be utilized. Since the determination of the amount of realization of the deferred tax assets is based, in part, on our forecast of future profitability, it is inherently uncertain and subjective. In cases where the actual profits generated are less than expected, a material adjustment

of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such adjustment takes place. As of December 31, 2016, no deferred tax asset has been recognized on tax losses due to the unpredictability of future profit streams.

*Research and Development Expenses*

Research and development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and we intends to and has sufficient resources to complete development and to use or sell the asset. The conditions enabling capitalization of development costs as an asset have not yet been met and, therefore, all development expenditures are recognized in in the consolidated statement of operations when incurred.

*Share-Based Compensation*

As of December 31, 2016, there were options outstanding to purchase 13,916,922 ordinary shares. The options granted are valid for 10 years and are initially exercisable for 25% with the remaining 75% vesting in 25% increments over the three-year vesting schedule.

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

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

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

We are responsible for determining the fair value of the stock options granted to employees following the regulatory requirements of the TPEx and using various information, including information provided by an independent third party valuation firm. The binomial option pricing model is applied in determining the estimated fair value of the options granted to employees. See footnote 18 to the consolidated financial statements included elsewhere in this prospectus for further details on the assumptions used to estimate the fair value of share-based awards granted in prior periods.

**JOBS Act**

The JOBS Act contains provisions that, among other things, reduce reporting requirements for an “emerging growth company.” As an emerging growth company, we have irrevocably elected to not take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards. As a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies.

**Recent Accounting Pronouncements**

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 3, “Application of new and revised standards, amendments and interpretations,” to our consolidated financial statements and related notes appearing elsewhere in this prospectus.

# BUSINESS

## Overview

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

Our lead program, *varlitinib*, is a reversible small molecule pan-HER inhibitor that targets the human epidermal growth factor receptors HER1, HER2 and HER4. *Varlitinib* is currently being studied in a global pivotal clinical trial for biliary tract cancer for which we expect to report topline data in 2019. We are also conducting a global Phase 2/3 clinical trial of *varlitinib* for gastric cancer for which we expect to report topline Phase 2 data in the second half of 2018.

We focus on cancers, such as gastric cancer and biliary tract cancer, that are orphan diseases in the United States and Europe for which there are few, if any, approved therapies. Although registration trials for orphan diseases may require fewer patients, recruitment for such trials in the United States and Europe is often challenging given the limited availability of suitable patients. Asia offers a unique opportunity to accelerate the development of novel therapies in diseases where either the cancers are more prevalent or the availability of suitable patients is greater.

- **The cancers are more prevalent**. As an example, there are approximately 12,600 new cases of biliary tract cancer every year in the United States. In Asia, the incidence of biliary tract cancer is approximately 200,000 new cases every year, of which up to 145,000 are in China. The higher incidence in Asia is believed to be driven by both genetic and environmental factors.
- **The availability of suitable patients is greater**. As an example, in acute myeloid leukemia, or AML, there are a large number of clinical trials in the United States and Europe competing for a relatively small patient population. By conducting clinical development primarily in Asia, we are able to access a larger population of patients more easily and cost-effectively, with fewer competing trials.

We have built a development platform centered in Asia that can generate data suitable for submission to regulators in the United States, Europe, China and Japan. The key components of this platform include:

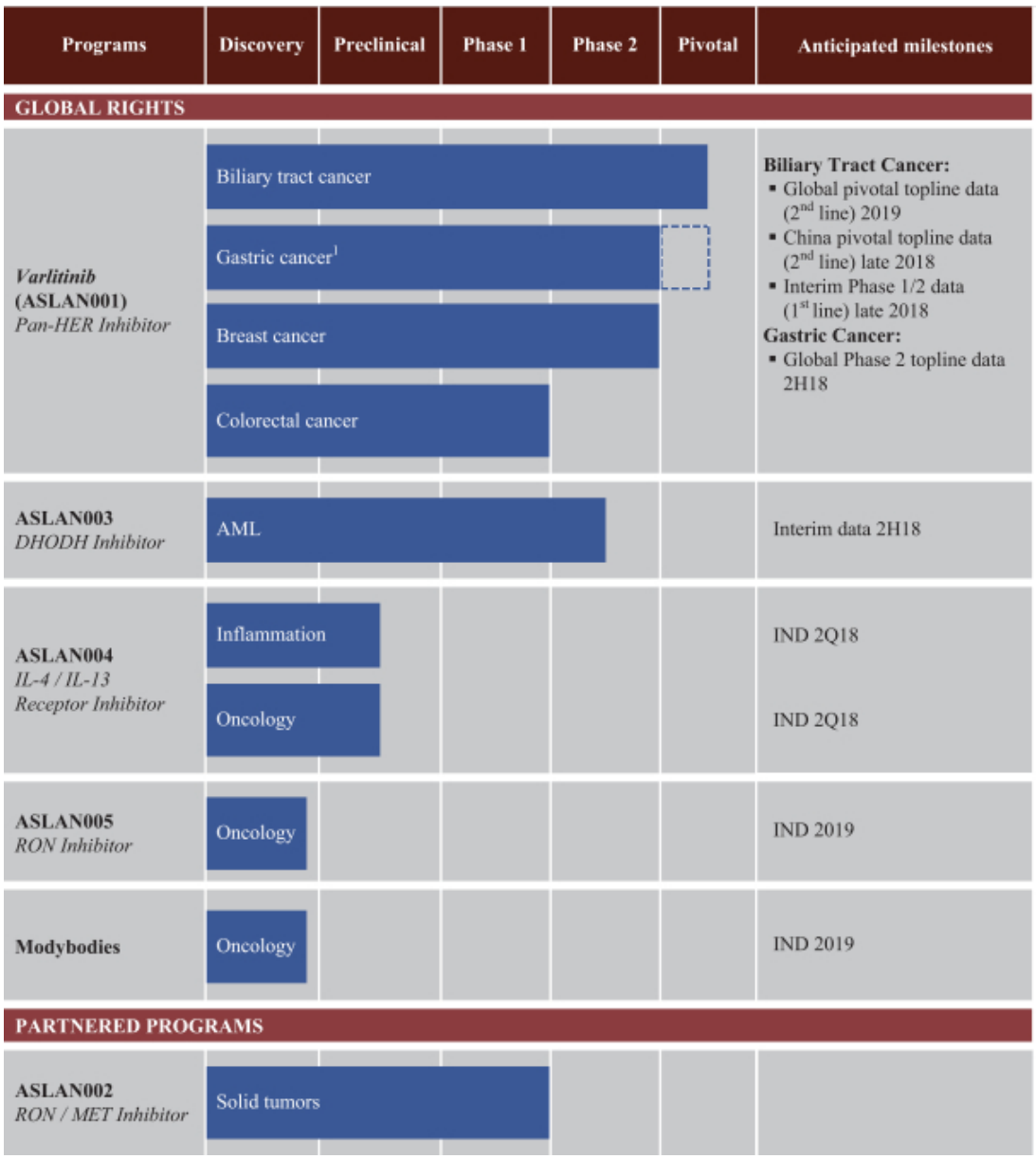
- **International presence.** We are strategically positioned, through our teams in Singapore, Taiwan and China, to recruit patients quickly and efficiently in Asia, supplemented with data generated in the United States and Europe. Our local presence in Asia has enabled us to work closely with leading investigators and institutions, and closely oversee the execution of clinical trials to ensure the quality of clinical data.
- **Extensive knowledge of Asia prevalent cancers.** In collaboration with leading Asia research centers, such as Singapore's National Cancer Centre, Japan's National Cancer Centre Hospital and Taiwan's Academia Sinica, we have been studying tumor profiles of patients to analyze the expression of certain biomarkers. This allows us to design targeted clinical trials focusing on those patients most likely to respond to our product candidates.
- **Experienced management team.** Our senior management team has broad experience in global and regional drug development, regulatory activities and commercialization, having played significant roles in the development of Crestor, Iressa and Symbicort in Asia and other international markets.
- **Deep local relationships.** Our team's global experience is complemented by a strong network of local partners and collaborators that we have established over many years operating in Asia, such as the

Director of the Clinical Trials Center at Seoul National University Hospital and the Chair of the Chinese Society of Clinical Oncology. We are also represented on some of the top industry and government advisory bodies in Asia, such as Singapore's International Advisory Council, which advises the Singapore government on the development of the biomedical sector.

Our senior management team has extensive experience in global and regional development, regulatory activities and commercialization of drugs and has an aggregate of over 60 years of experience working in Asia. Our Chief Executive Officer, Dr. Carl Firth, was previously New Product Director for China and Regional Business Development and Strategic Planning Director for AstraZeneca plc, or AstraZeneca. Our Chief Medical Officer, Dr. Bertil Lindmark, was previously Global Head of Research and Development at Almirall, S.A., or Almirall, and Global Head of Clinical Development in Respiratory and Inflammation for AstraZeneca. Our Chief Operating Officer, Dr. Mark McHale, was previously Head of Molecular Sciences for Respiratory and Inflammation at AstraZeneca. Our scientific advisory board is chaired by Professor Sir David Lane, the discoverer of p53 and Chief Scientist of Singapore's Agency for Science, Technology and Research, or A*STAR. Our partners include some of the leading global research centers, such as the MD Anderson Cancer Center, the Huntsman Institute, National Taiwan University and Singapore's National Cancer Centre.

### Our Product Candidates

The following table summarizes our product candidate pipeline:




1 We have previously completed a Phase 2 paired biopsy clinical trial in patients who had failed one or more courses of prior treatment for gastric cancer. In August 2017, we initiated a Phase 2/3 trial in first line gastric cancer, for which we expect to report topline Phase 2 data in the second half of 2018. The dotted line section represents the Phase 3 portion of this ongoing trial, which we would progress to if the results from the Phase 2 portion meet the primary endpoint. For more information, please see "—*Varlitinib*—Gastric Cancer" below.

We own global rights to all of our product candidates with the exception of ASLAN002, for which Bristol-Myers Squibb Company, or BMS, acquired global rights, and *varlitinib*, for which Hyundai Pharm Co., Ltd., or Hyundai, acquired rights for South Korea.

Our lead program, *varlitinib*, is a highly potent, oral, reversible small molecule pan-HER inhibitor. Targeting individual members of the human epidermal growth factor receptor, or HER, family is a well-validated approach to cancer treatment. In some cancers, HER1-selective or HER2-selective agents appear to be effective for a large number of patients, however, in other cancers such as gastric cancer, only a small number of patients have tumors driven by a single receptor, such as HER2. We believe there are larger subsets of patients with cancers driven by a combination of HER1, HER2, HER3 and HER4. In a biomarker-driven Phase 2a clinical trial of HER1/HER2 coexpressing gastric cancer patients, we demonstrated that *varlitinib* could inhibit downstream growth pathways. In other clinical trials, we have demonstrated that *varlitinib* has activity in biliary tract cancer, where HER family expression is known to be high, as well as in HER2-positive breast cancer and in subsets of colorectal cancer. Following discussions with the United States Food and Drug Administration, or U.S. FDA, and other regulators, we have initiated a global pivotal clinical trial of *varlitinib* for biliary tract cancer. We believe *varlitinib* has the potential to be the first targeted therapy approved for biliary tract cancer.

In addition to *varlitinib*, we have several other product candidates in development. We are developing ASLAN003, an inhibitor of human dihydroorotate dehydrogenase, or DHODH, in AML and are exploring development in other solid tumors where this mechanism has been shown to be relevant. ASLAN003 has the potential to induce differentiation in blast cells and could be applicable in a broad range of AML patients. ASLAN004 is an IL-4/IL-13 receptor antibody, which we believe has the potential to be a best-in-class therapy for severe atopic dermatitis and asthma, due to greater selectivity in binding target cells via the IL-13 receptor. We plan to initiate a Phase 1 clinical trial for ASLAN004 following the submission of an investigational new drug application, or IND, expected in the second quarter of 2018, and plan to seek a global partner for the continued clinical development and potential commercialization of ASLAN004.

Our preclinical portfolio contains several immuno-oncology programs using conventional antibodies and an antibody fragment technology that we have licensed called Modybodies. ASLAN002 is a small molecule inhibitor of cMET and *recepteur d'origine nantais*, or RON, an immune checkpoint inhibitor, and is currently partnered with BMS.

**Our Strategy**

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

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

- **Rapidly advance *varlitinib* in biliary tract cancer and gastric cancer.** We are conducting a global pivotal clinical trial of *varlitinib*, which we refer to as TREatmEnT OPPortunity, or TREETOPP, and a pivotal clinical trial in China for biliary tract cancer. Based on guidance from the U.S. FDA, we intend to seek accelerated approval for this product candidate if we see an increase in response rate over the current standard of care. We are also conducting a global Phase 2/3 clinical trial of *varlitinib* for HER1/HER2 co-expressing gastric cancer.
- **Develop ASLAN003 in AML.** We are conducting a Phase 2 clinical trial in Asia to develop ASLAN003 in AML and we plan to meet with the U.S. FDA to discuss expedited regulatory strategies, such as accelerated approval. We are also conducting preclinical studies in other types of cancer where DHODH has been implicated as a putative target in published research, such as triple negative breast cancer, or TNBC, and hepatocellular carcinoma, or HCC.

- **Build a broad immuno-oncology portfolio.** We are using antibodies and antibody fragments to inhibit specific immune checkpoints, such as RON, a receptor expressed on the macrophage, the inhibition of which could enhance T-cell activity. We intend to initially pursue Asia prevalent tumor indications with this immuno-oncology portfolio.
- **Establish a targeted commercial organization in the United States, China and other Asian markets.** We plan to start building a targeted commercial organization in 2018 in anticipation of the potential regulatory approval of *varlitinib* for biliary tract cancer and gastric cancer. We may also establish collaborations with pharmaceutical companies to maximize the potential of our products in other markets.
- **Develop ASLAN004 in severe atopic dermatitis and asthma.** We plan to begin the clinical development of ASLAN004 in severe atopic dermatitis and asthma, and then seek a global partner to support a Phase 3 clinical trial and potential commercialization.
- **Selectively in-license or acquire additional oncology product candidates.** We plan to utilize our global relationships and business development experience to identify and evaluate new product opportunities based on our understanding of Asia prevalent cancers and the targets and pathways that drive them.

**Opportunity and Rationale for Drug Development in Asia**

Cancer is one of the leading causes of death globally and is rapidly overtaking heart disease in many developed countries to become the number one cause of mortality. In 2015, there were approximately 1.7 million new cases of cancer and 600,000 deaths caused by cancer in the United States, as compared to 4.3 million new cases and 2.8 million deaths in China alone. Historically, there has been more research in cancers common in the United States and Europe, such as breast and lung cancer, than there has been in other cancer types which are more prevalent in Asia. This lack of research has contributed to fewer treatment options for those cancers that are more prevalent in Asia. For example, in 2016 the prevalence of biliary tract cancer was over 200,000 patients in Asia, compared to approximately 12,600 in the United States, and there are no therapies approved to treat this disease. In gastric cancer, the prevalence was over one million in Asia in 2012, but only approximately 32,000 in the United States, and there is only one targeted therapy approved for first-line treatment. For the cancers on which we are focusing, such as biliary tract cancer and gastric cancer, patients typically present with late-stage disease that has already metastasized. These patients are often not eligible for surgery and curative options are limited. Currently, no drugs are approved in the United States for biliary tract cancer, which has a median overall survival of 11.7 months. For gastric cancer, the median overall survival is 11.1 months and only one targeted therapy is approved for first-line use.

We believe that our Asia development platform and our understanding of cancers that are prevalent in Asia, in particular in our areas of focus in China, Japan, South Korea and Southeast Asia, will enable us to develop drugs for these diseases more efficiently than could be done in the United States and Europe.

The advantages of developing drugs in Asia are:

- **The prevalence and etiology of certain cancers in Asia differ from the United States and Europe.** While certain cancers, such as breast and lung cancer, are common worldwide, other cancers, such as gastric and biliary tract cancer, are many times more prevalent in Asia than in the United States and Europe.

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

*Sources:* *(1) As of 2012, based on Globocan (2012); Bray et al. (2013), Estimates of global cancer prevalence for 27 sites in the adult population in 2008.*
*(2) As of 2016, based on Edison Investment Research, "Novel treatments for worldwide unmet needs," dated November 8, 2017, surveying Randi et al. (2008), Epidemiology of biliary tract cancers: an update; Bridgewater et al. (2014), Guidelines for the diagnosis and management of intrahepatic cholangiocarcinoma.*
*(3) In this table, Asia-Pacific refers to only China, Japan, Philippines, Singapore, South Korea, Thailand and Vietnam.*

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

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

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

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

- **The regulatory environment in Asia is maturing quickly.** Major Asian regulators such as the Pharmaceuticals and Medical Devices Agency, or the PMDA, in Japan and the China Food and Drug Administration, or the CFDA, have historically been viewed as being generally more conservative than their United States and European counterparts. However, regulators in Asia have recently become more progressive in their approach towards drug development. For example, in 2014, Japan was first to approve the novel PD1 inhibitor *nivolumab* for unresectable melanoma and, in 2013, Taiwan was first to approve *afatinib* for non-small cell lung cancer, in each case ahead of approval by United States and European regulators. In 2015, the PMDA introduced its first accelerated regulatory pathway, the *sakigake* designation scheme, on a pilot basis, potentially allowing innovative drugs targeting diseases with high unmet need a faster route to market and a longer marketing exclusivity period. In 2017, the State Council in China introduced a series of reforms allowing imported drugs to be approved using foreign data, which should dramatically shorten approval timelines when implemented by the CFDA.
- **Conducting clinical trials in Asia can accelerate drug development.** By working with some of the leading centers in Asia, the recruitment rate for clinical trials can be significantly increased. For example, compared to recruitment rates in the United States, we estimate that the recruitment rate for patients for trials involving biliary tract cancer in Japan is approximately double and recruitment rates for gastric cancer in South Korea and Taiwan are approximately two to three times higher. Even for cancer types where disease prevalence is no higher in Asia than in the United States and Europe, often patients in Asia can be more easily recruited for clinical trials because there are fewer competing studies and large urban centers allow Asia-based clinical institutions to access a large patient pool.

**Our Product Candidates**

***Varlitinib (ASLAN001)***

*Varlitinib* is a highly potent, oral, reversible, small molecule inhibitor of the human epidermal growth factor receptor, or HER, family of receptor tyrosine kinases, or RTKs. Approved drugs that selectively target HER1 (also known as EGFR) or HER2 have been effective in some patients. However, patients may relapse on or may not respond to these therapies because the growth of their cancers is driven by other HER family receptors. *Varlitinib* targets multiple members of the HER family of receptors and therefore we believe it may be effective in a broader range of tumor types and effective in patients that have progressed on prior HER1-selective or HER2-selective therapies. Following guidance from the U.S. FDA, we initiated a randomized global pivotal clinical trial testing *varlitinib* in second-line biliary tract cancer. We expect to report topline data for this trial in 2019. We are also testing *varlitinib* in a single-arm pivotal clinical trial in biliary tract cancer in China for which we expect to report topline data in late 2018.

We licensed *varlitinib* from Array BioPharma Inc., or Array, in 2011 after successful completion of five Phase 1 clinical trials in a range of solid tumors, which showed activity in breast cancer. Our assessment of *varlitinib* and understanding of its mechanism of action led us to believe that it would be effective in gastric cancer and that we were well positioned to accelerate the development of *varlitinib* through our Asia development platform. To date, we have completed four additional Phase 1b clinical trials and two Phase 2 clinical trials for this product candidate. Over 400 patients have been dosed with *varlitinib* as monotherapy or in combination with other agents. In these clinical trials, *varlitinib* has demonstrated an acceptable safety profile and has been well-tolerated in Caucasian and Asian patients. *Varlitinib* has demonstrated activity in a range of tumor types including biliary tract, gastric, breast and colorectal cancer.

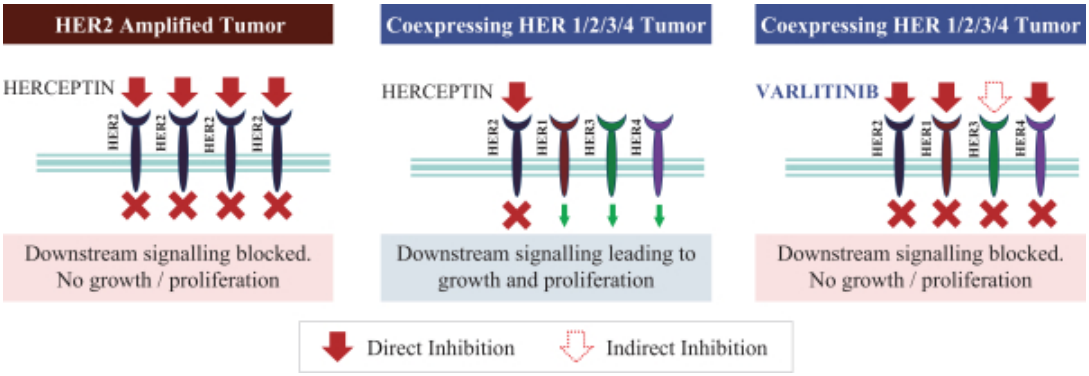
We have obtained orphan drug designation from the U.S. FDA for *varlitinib* in gastric cancer and cholangiocarcinoma, which represents approximately 60% of biliary tract cancer cases. We also have obtained orphan drug designation from the Ministry of Food and Drug Safety in South Korea for *varlitinib* in biliary tract cancer.

*Mechanism of Action*

*Varlitinib* targets the HER family of receptors, comprised of four members, HER1, HER2, HER3 and HER4, which is responsible for driving growth in human epithelial cells. These receptors can be mutated or overexpressed in many tumors, which can cause excessive proliferative activity and uncontrolled growth. For instance, HER2 is often overexpressed or amplified in breast cancer. Many of these tumors are dependent on continued HER2 activity for growth and are therefore sensitive to HER2 targeted agents such as Herceptin (*trastuzumab*). Similarly in gastric cancer, some tumors are HER2 amplified, and thus are reliant on HER2. Patients with these gastric cancers are sensitive to Herceptin, but such patients represent only approximately 15% of all gastric cancer patients. Others may have tumors driven by other HER family members. We believe that in those patients, a pan-HER inhibitor such as *varlitinib*, which targets HER1, HER2 and HER4, could inhibit proliferation and control tumor growth. HER3 requires active HER1, HER2 or HER4 to function and therefore *varlitinib* indirectly inhibits HER3.

*Varlitinib* has been designed to have favorable properties with low nanomolar, or nM, potency for the HER family. *Varlitinib* selectively inhibits the HER family and therefore has the potential for fewer off-target effects. It was well-tolerated in the clinic, with reduced gastrointestinal, or GI, toxicity compared to other pan-HER inhibitors.

***Varlitinib* Mechanism of Action**




As a reversible pan-HER inhibitor, *varlitinib* binds temporarily to the HER family of receptors when the drug concentration is high, but dissociates when the drug concentration falls. Irreversible pan-HER inhibitors bind permanently to the receptor so when they are absorbed in the GI tract, the receptors in the gut epithelium are irreversibly inhibited and prevented from proliferating, which may lead to high rates of diarrhea in patients. In contrast, the gut epithelium of patients taking a reversible inhibitor like *varlitinib* can proliferate when the local concentration in the gut falls between dosing, which should result in lower frequency and severity of diarrhea. Importantly, we believe the concentration of *varlitinib* in the tumor remains stable between dosing leading to sustained target inhibition predicted to be in excess of 90%.

*Advantages*

We believe that *varlitinib* has the potential to be the first targeted therapy approved for biliary tract cancer and first-line treatment for HER1/HER2 coexpressing gastric cancer. We believe *varlitinib* has the following potential competitive advantages:

- **Potent inhibition of HER1, HER2 and HER4 potentially enables it to be used in a broader range of tumors than HER1-selective and HER2-selective agents.** Drugs such as Herceptin only target HER2, which is only effective in tumors driven specifically by HER2. We believe there are other patients whose tumors are driven by different combinations of HER1, HER2, HER3 and HER4, that may respond to pan-HER inhibitors.
- **HER4 inhibition may lead to a more durable response.** The upregulation of HER4 has been shown to act as an escape mechanism in breast cancer cell lines treated with *lapatinib*, which has no activity against HER4, leading to resistance. These cell lines remain sensitive to *varlitinib*, suggesting that *varlitinib* may lead to a more durable response. We believe that this response may also be seen in other tumor types.
- **Low levels of GI toxicity in comparison to other pan-HER inhibitors.** *Varlitinib* has demonstrated a low level of GI toxicity, which we believe is because it is a reversible inhibitor. Other pan-HER inhibitors are irreversible inhibitors and patients in those trials have exhibited as much as 40% grades 3/4 diarrhea. In contrast, in our recent Phase 2 clinical trial in second-line metastatic breast cancer, only 12.5% of patients experienced grades 3/4 diarrhea. Symptoms were resolved in all patients following standard treatment with over-the-counter treatments such as *loperamide* and no prophylactic regimen was used.

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

*Gastric Cancer*

*Market Opportunity*

As of 2012, gastric cancer, or cancer of the stomach, was the fifth most common cancer and the third most common cause of cancer death worldwide. Prevalence was highest in Asia with 1.2 million patients, of which approximately 590,000 were in China. There were approximately 30,000 patients in the United States and 190,000 in Europe. The five-year survival rate of gastric cancer is less than 20%.

Most patients with gastric cancer are asymptomatic during the early stages of disease, which delays the initial diagnosis. Accordingly, the majority of patients present with advanced disease at initial diagnosis. Surgical resection is still the primary curative treatment for localized gastric cancer, however less than 50% of patients present with localized disease.

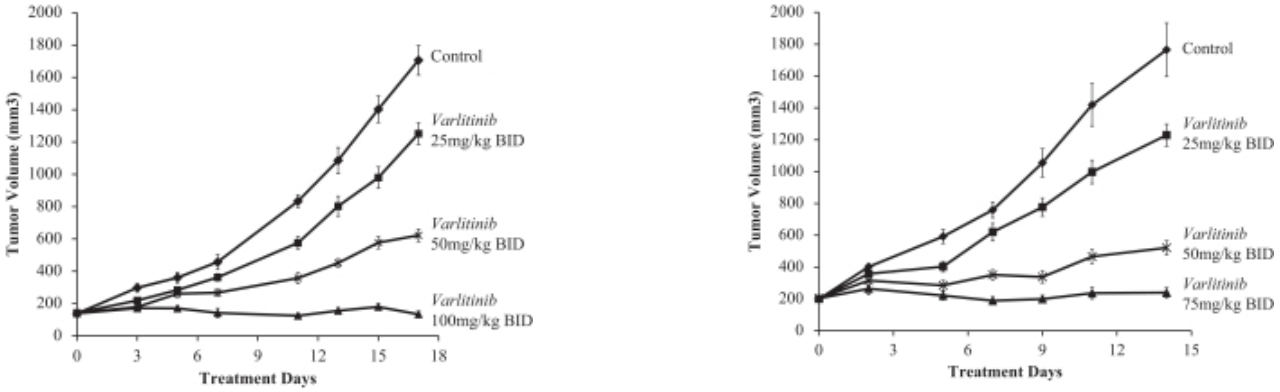
In the metastatic setting, chemotherapy, such as FOLFOX, XELOX, *cisplatin*/*capecitabine* or *cisplatin*/5-FU, is the standard of care, typically a combination of platinum-based therapy and fluorouridine-based therapy. Recent advances have demonstrated the role of the HER family of receptors in driving tumor growth. Herceptin, an anti-HER2 monoclonal antibody, was the first targeted drug in the metastatic setting to have shown benefit in overall survival when combined with standard doublet chemotherapy. However, the benefits of Herceptin are limited to the 15% of gastric cancer patients that overexpress HER2 and provide an increase in median overall survival from 11.1 months to 13.8 months. As a result, we believe a significant unmet medical need exists for other targeted therapies in gastric cancer. We believe that *varlitinib* could be effective in treating gastric cancer patients whose tumors are not HER2 amplified, but coexpressed HER1 and HER2. While the coexpression of HER1 and HER2 in gastric cancer is not well documented, epidemiological studies of archived gastric tumors conducted by our collaborating institutions in South Korea and Japan suggest that up to 40% of gastric cancer tumors coexpress HER1 and HER2.

*Preclinical and Clinical Development*

*Varlitinib* has shown activity in 20 mouse models of lung, breast, gastric, prostate and colorectal cancer. *Varlitinib* was shown to have superior tumor growth inhibition compared to multiple approved therapies across a variety of modalities in mouse models. In combination with approved standard of care therapies, including *capecitabine*, *varlitinib* has demonstrated additive tumor growth inhibition.

In studies we performed in collaboration with Singapore's National Cancer Centre, *varlitinib* has also shown activity in patient derived xenograft, or PDX, mouse models of gastric cancer and HCC. In two gastric cancer PDX models that coexpress HER1 and HER2 but were not HER1 or HER2 amplified, *varlitinib* demonstrated dose dependent tumor growth inhibition. A western blot analysis of the *varlitinib* treated tumors revealed potent inhibition of the MAPK and PI3K pathways, known to be important for tumor growth.

**Tumor Growth Inhibition in Two Gastric Cancer PDX Models**




To determine whether HER1 and HER2 were driving tumor growth in HER1/HER2 coexpressing tumors, we conducted a Phase 2 paired biopsy clinical trial in patients who had failed one or more courses of prior treatment for gastric cancer. Patients were biopsied on day one, dosed with *varlitinib* monotherapy for 28 days and then biopsied again. Tumor samples were stained by immunohistochemistry to quantify markers of proliferation (MAPK and Ki67) and survival (AKT and TUNEL). Twenty-three patients were recruited in two cohorts: tumors coexpressing HER1 and HER2, and tumors that were HER2-amplified. The data demonstrated that *varlitinib* treatment led to down regulation of proliferation and upregulation of tumor apoptosis in evaluable patients that were coexpressing HER1/HER2.

**Phase 2 Gastric Cancer Biopsy Data**

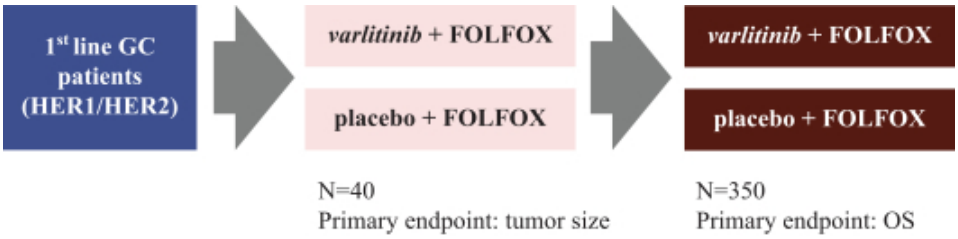
| Marker | Evaluable HER1/HER2 coexpressing patients | Implications |
|---|---|---|
| Inhibition of phospho-MAPK | 86% | Indicative of reduced tumor proliferation |
| Downregulation of Ki67 | 71% | Indicative of reduced tumor proliferation |
| Inhibition of phospho-AKT | 29% | Indicative of tumor cell death |
| Upregulation of TUNEL | 60% | Indicative of tumor cell death |

Based on the positive data generated by *varlitinib* in the gastric cancer PDX models and in the gastric cancer clinical biopsy trial, we are targeting first-line patients coexpressing HER1 and HER2 that are ineligible for Herceptin, due to low HER2 expression levels. These patients are believed to represent approximately 40% of the gastric cancer population.

In August 2017, we initiated a randomized, double-blind, placebo-controlled Phase 2/3 clinical trial in first-line gastric cancer comparing *varlitinib*/FOLFOX to placebo/FOLFOX. This global trial is being conducted across 32 sites in eight countries in Asia and Europe in patients with tumors coexpressing HER1 and HER2 who are

ineligible for Herceptin. We expect the Phase 2 portion of the clinical trial to enroll approximately 40 patients and to report topline data in the second half of 2018 with a primary endpoint of percentage change from baseline in tumor size of target lesions at week 12, as assessed by independent central review, or ICR, according to the Response Evaluation Criteria in Solid Tumours (version 1.1), or RECIST. Secondary endpoints are objective response rate, or ORR, progression-free survival, or PFS, time to recurrence, or TTR, duration of response, or DOR, disease control rate, or DCR, and overall survival, or OS. This clinical trial is expected to progress to Phase 3 if the results from the Phase 2 trial meet the primary endpoint that the percentage reduction in tumor size at Week 12 is statistically significant with a one-sided p-value that is less than 0.1. If progressed, we expect to enroll approximately 350 additional patients in the Phase 3 portion of the clinical trial with a primary endpoint of overall survival.

**Phase 2/3 Gastric Cancer Trial Design (ongoing)**




*Biliary Tract Cancer*

*Market Opportunity*

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

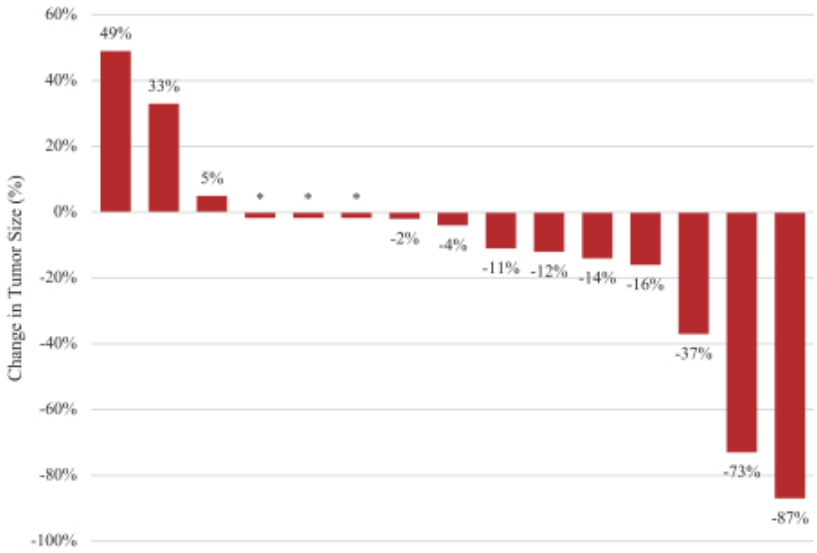
Biliary tract cancer consists of intra-hepatic and extra-hepatic cholangiocarcinoma (cancer of the bile duct), cancer of the gall bladder and papilla of Vater (the final portion of the bile duct emptying into the small bowel). Though biliary tract cancer is considered to be a subset of liver cancer, therapies approved for liver cancer are not approved for biliary tract cancer. There are no therapies approved for biliary tract cancer in the United States. Approximately 35% of patients undergo surgical resection, but recurrence is common, with the disease returning in 50% to 60% of patients. Late-stage patients typically receive chemotherapy. In the first-line setting, the doublet combination of *gemcitabine* and *cisplatin* is commonly used and has demonstrated a response rate of 26% and overall survival of 11.7 months.

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

*Preclinical and Clinical Development*

In the ongoing Phase 1b clinical trials of *varlitinib* in combination with doublet chemotherapy, consisting of platinum plus fluoropyrimidine chemotherapy, 15 biliary tract cancer patients who have had up to two prior treatments have been enrolled to date. Three patients achieved a partial response (20%) and ten (67%) had stable disease, corresponding to a disease control rate of 87%. In those patients that responded, all patients had at least 30 weeks of duration of response and tumor growth was controlled even after patients discontinued doublet chemotherapy and continued on *varlitinib* monotherapy.

**Change in Tumor Size in Biliary Tract Cancer Patients from Phase 1b Clinical Trials:**
***Varlitinib* in Combination with Doublet Chemotherapy**



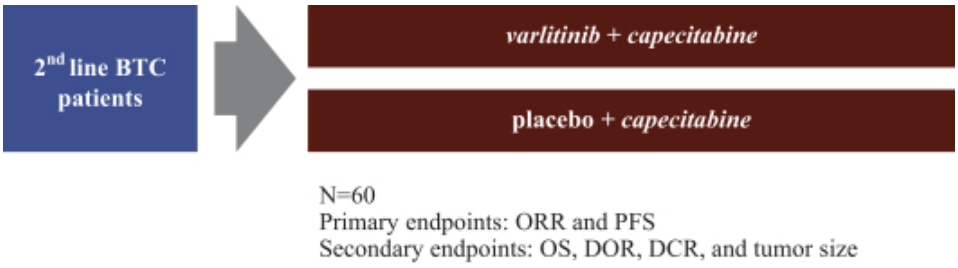

* These patients did not have measurable lesions, but their disease was declared to be stable by investigator based on non-measurable tumor mass.

*Ongoing Clinical Trials*

*TREETOPP Trial in Second-Line Biliary Tract Cancer*

Based on the results in biliary tract cancer from the Phase 1b clinical trials, we met with the U.S. FDA in October 2016 regarding the design of a registration trial and the overall development pathway for *varlitinib* in this indication. If this registration trial demonstrates a significant effect on overall response rate, *varlitinib* could be granted accelerated approval subject to a second confirmatory trial being run after approval to demonstrate an improvement in overall survival. TREETOPP is a randomized, double-blind, placebo-controlled clinical trial in second-line biliary tract cancer comparing *varlitinib* and *capecitabine* to placebo and *capecitabine*. This clinical trial is being led by Dr. Milind Javle at the MD Anderson Cancer Center and plans to recruit a total of 120 patients that have progressed on prior chemotherapy treatment, with 60 patients in each arm, from 58 centers in the United States, Europe, China, Japan, Australia and other Asian countries. The co-primary endpoints are ORR and PFS and will be assessed by ICR according to RECIST. The secondary endpoints are OS, DOR, DCR and tumor size percentage change at week 12, as defined by RECIST. In order to maintain an overall one-sided 10% type I error rate for the trial, we plan to use a Hochberg procedure, meaning that the trial would be deemed to have met its primary objective if either endpoint is significant at the one-sided 5% level or if both endpoints are significant at the one-sided 10% significance level. We expect to report topline data from this trial in 2019. If the endpoints are met, we intend to submit a New Drug Application, or NDA, to the U.S. FDA for accelerated approval in second-line biliary tract cancer.

**Pivotal Biliary Tract Cancer Trial Design (ongoing)**




*China Second-Line Biliary Tract Cancer*

Following discussions with CFDA with regard to the registration path in China for *varlitinib* in biliary tract cancer, we have also initiated a single-arm pivotal clinical trial of *varlitinib* in combination with *capecitabine*. We intend to recruit a total of 68 patients whose disease has progressed on prior chemotherapy treatment. The CFDA has agreed that we can seek approval in China if this trial meets its primary endpoint, showing an improvement in ORR. We expect to report topline data from this trial in late 2018. If the primary endpoint is met, we intend to file for approval in second-line biliary tract cancer in China.

*First-Line Biliary Tract Cancer*

We have initiated a Phase 1b/2 clinical trial to test the safety, tolerability and efficacy of *varlitinib* in first-line biliary tract cancer in combination with *gemcitabine/cisplatin*. In the Phase 1b portion of the clinical trial, increasing doses of *varlitinib* are combined with chemotherapy to determine the maximum tolerated dose, or MTD, in first-line biliary tract cancer. When the MTD is declared, the clinical trial is expected to progress to Phase 2. The Phase 2 portion of the clinical trial is planned to be a two-arm double-blind placebo-controlled trial, where *varlitinib* combined with *gemcitabine/cisplatin* would be compared to a placebo and *gemcitabine/cisplatin*, with 69 patients per arm. The primary endpoint of this trial is PFS, as assessed by ICR according to RECIST criteria. The secondary endpoints are ORR, DCR, DOR and OS, and all RECIST-based efficacy endpoints will be assessed by ICR. We plan to assess the clinical trial data using the Simon, Wittes and Ellenberg procedure, in order to detect a minimum 10% difference in the primary endpoint of PFS by 24 weeks, and assuming that 25% of patients in the chemotherapy arm will have partial or complete response and that the probability of selecting the best treatment arm is set at 90%. If the Phase 2 clinical trial is successful, the Phase 3 clinical trial would be a 400 patient double-blind placebo-controlled study comparing *gemcitabine/cisplatin* and *varlitinib* with *gemcitabine/cisplatin* and placebo.

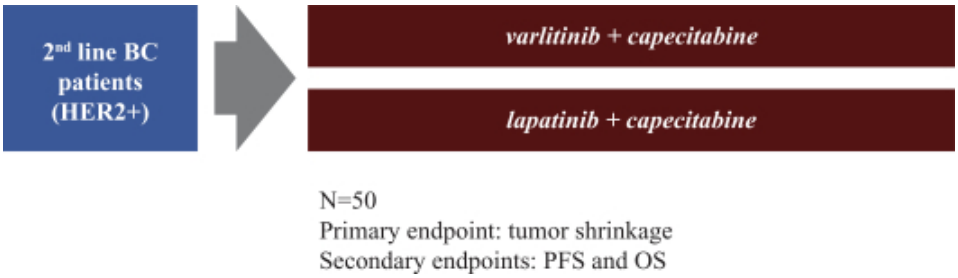
*Metastatic Breast Cancer*

The prevalence of breast cancer in Asia was approximately 2.3 million patients in 2012, while the prevalence in the United States was approximately 1.0 million, of which approximately 5% was metastatic in both cases. Metastatic breast cancer has a five-year survival rate of 26%. Approximately 20% of these patients have tumors with HER2 amplification and will typically receive the anti-HER2 monoclonal antibody therapies Herceptin and *pertuzumab* in first-line treatment and then *ado-trastuzumab emtansine* in second-line treatment. In third-line treatment, patients receive the HER1/HER2 small molecule inhibitor *lapatinib* plus *capecitabine*. *Varlitinib* has demonstrated an improved objective response rate and with lower levels of diarrhea compared to *lapatinib* in a Phase 2 clinical trial.

We have completed a randomized open label Phase 2 clinical trial in HER2 amplified patients who have progressed on Herceptin. The open label clinical trial enrolled 50 patients with two arms comparing *varlitinib* and *capecitabine* to *lapatinib* and *capecitabine*, with a primary endpoint of tumor shrinkage at week 12, as assessed by ICR according to RECIST. Six patients withdrew consent within the first 30 days following

enrollment, of which only one patient experienced a serious adverse event. These patients were excluded from the subsequent efficacy analysis. The average tumor shrinkage for patients in the *varlitinib* arm was 36% compared to 18% in the *lapatinib* arm (p=0.075). The ORR was 60% for patients in the *varlitinib* arm compared to 46% for those in the *lapatinib* arm. *Varlitinib* and *capecitabine* was safe and well-tolerated with 12.5% grades 3/4 diarrhea that was controlled on standard doses of *loperamide*. The incidence of diarrhea observed in the *varlitinib* and *capecitabine* arm also compared favorably to an observed incidence of 40% grades 3/4 diarrhea in published data for *neratinib*, an irreversible pan-HER inhibitor. In addition, the 60% ORR seen with *varlitinib* and *capecitabine* is comparable to the 64% ORR seen in *neratinib* studies.

**Phase 2 Metastatic Breast Cancer Trial Design (completed)**




*Safety*

*Varlitinib* has been dosed as monotherapy and in combination with singlet and doublet chemotherapies commonly used in biliary tract, gastric, metastatic breast and colorectal cancer. The maximum tolerated doses varied from 300mg twice daily to 500mg twice daily (BID).

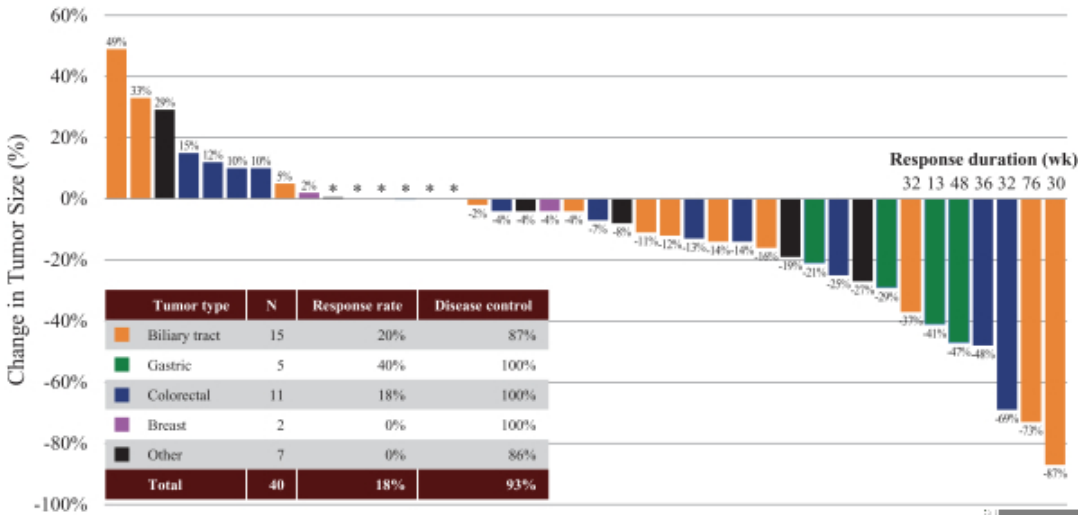
***Varlitinib* Maximum Tolerated Dose in Phase 1/1b Clinical Trials**

| Regimen | MTD | Target indications |
|---|---|---|
| Monotherapy | 500mg BID | - |
| Combination | | |
| *Docetaxel* | 500mg BID | Second-line gastric cancer |
| *Capecitabine* | 400mg BID | Second-line biliary tract cancer, third-line metastatic breast cancer |
| FOLFOX | 300mg BID | First-line gastric cancer |
| XELOX | 300mg BID | First-line gastric cancer |
| *Cisplatin* / 5-FU | 300mg BID | First-line gastric cancer |
| *Cisplatin / capecitabine* | 300mg BID | First-line gastric cancer |
| *Gemcitabine / cisplatin* | Ongoing | First-line biliary tract cancer |

*Phase 1b Clinical Trials of Varlitinib in Combination with Doublet Chemotherapy*

In a Phase 1b clinical trial of *varlitinib* in combination with doublet chemotherapy, patients received six cycles of doublet chemotherapy consisting of *cisplatin*/5-FU, *cisplatin*/*capecitabine*, FOLFOX, XELOX combined with *varlitinib*, followed by *varlitinib* monotherapy until progression. The ORR was 18% and the DCR was 93%, with several patients with biliary tract, gastric and colorectal cancer demonstrating prolonged stable disease and partial responses. The majority of patients received one or more lines of therapy before entering the clinical trial and were not selected based on biomarker status. *Varlitinib* was well-tolerated at 300mg BID when combined with doublet chemotherapy, with a manageable side effect profile typical of HER receptor inhibitors including fatigue, diarrhea, nausea, vomiting, increased bilirubin and hand-foot syndrome.

**Change in Tumor Size in Phase 1b Clinical Trials:**
***Varlitinib* in Combination with Doublet Chemotherapy**




* These patients did not have measurable lesions, but their disease was declared to be stable by investigator based on non-measurable tumor mass.

The table below summarizes all adverse events, or AEs, on all *varlitinib* trials, including a dose range from 100 to 600 mg BID. The most commonly occurring adverse events were fatigue, nausea and diarrhea, with grade 3 occurring in a range of 2-6% and grade 4 occurring in less than 1% of patients.

**Adverse Events from All *Varlitinib* Clinical Trials**

| Adverse Event (360 patients) | Any Grade | | Grade 3 | | Grade 4 | |
|---|---|---|---|---|---|---|
| | (N) | (%) | (N) | (%) | (N) | (%) |
| Fatigue | 152 | 46% | 20 | 6% | 0 | 0% |
| Nausea | 148 | 44% | 6 | 2% | 0 | 0% |
| Diarrhea | 140 | 42% | 14 | 4% | 1 | 0.7% |
| Vomiting | 89 | 27% | 5 | 1% | 0 | 0% |
| Anorexia | 66 | 20% | 2 | 1% | 0 | 0% |
| Appetite | 54 | 16% | 4 | 1% | 0 | 0% |
| Rash | 44 | 13% | 1 | 0% | 0 | 0% |
| Dyspepsia | 35 | 10% | 0 | 0% | 0 | 0% |
| Creatinine | 33 | 10% | 3 | 1% | 1 | 0.3% |
| Acne | 32 | 10% | 0 | 0% | 0 | 0% |

***ASLAN003***

ASLAN003 is an orally active, potent inhibitor of DHODH that has the potential to be first-in-class in AML. AML is a cancer of the myeloid line of blood cells, characterized primarily by the rapid growth of abnormal white blood cells that build up in the bone marrow and interfere with the production of normal blood cells. We

are conducting a Phase 2 clinical trial to develop ASLAN003 in AML and we expect to report interim data from this trial in the second half of 2018. Our plan is to meet with regulatory authorities to discuss expedited regulatory strategies, such as accelerated approval. We are also exploring other solid tumor types where DHODH may be relevant, such as TNBC and HCC.

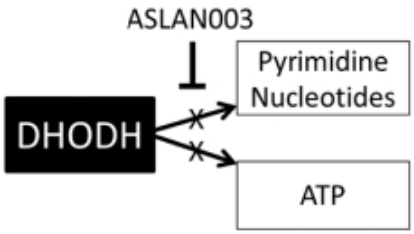
We licensed ASLAN003 from Almirall in 2013 after Almirall's completion of a Phase 1 single ascending dose clinical trial, in which the drug was well-tolerated in healthy volunteers. We then conducted two additional Phase 1 clinical trials, exploring multiple ascending doses and fed/fasted comparison in healthy volunteers. These trials demonstrated that the drug was well-tolerated and plasma concentrations following dosing were similar in Caucasians and Asians.

*Mechanism of Action*

In cancer, increased levels of adenosine triphosphate, or ATP, and pyrimidines are required for tumor growth and survival. ASLAN003 is an inhibitor of DHODH, which is the enzyme controlling the rate limiting step in the *de novo* synthesis of pyrimidines. Pyrimidines are nucleotides and are essential building blocks for the production of DNA and RNA in mammalian cells. DHODH is located in the mitochondria and during manufacture of nucleotides it also contributes to the production of ATP. Inhibition of DHODH depletes the intracellular pool of pyrimidines and contributes to lower levels of ATP. This leads to the induction of the tumor suppressor p53, which at high levels of induction triggers apoptosis, or programmed cell death.

In AML, blast cells are unable to differentiate and form granulocytes, such as neutrophils and eosinophils, causing depletion of white blood cells. All-trans retinoic acid, or ATRA, which is approved to treat certain types of AML representing up to 15% of all AML patients, is able to differentiate these AML blast cells. Over 90% of patients with these types of AML experience a complete response and have a five-year survival of 75% when treated with ATRA. In other subsets of AML, DHODH inhibitors have been shown to promote differentiation of these blast cells *in vitro*, allowing them to turn into granulocytes, which potentially may reverse the condition.

**DHODH Inhibitor Mechanism of Action**




*Teriflunomide* and *leflunomide*, which is a prodrug of *teriflunomide*, are first generation DHODH inhibitors, approved in the United States, Europe and Asia for the treatment of rheumatoid arthritis and multiple sclerosis, respectively. These molecules are less potent inhibitors of DHODH as compared to ASLAN003 and are sufficient to slow the proliferation of inflammatory cells and therefore adequate in chronic inflammatory disorders. However, these molecules have limited use in oncology because the inhibition of tumor growth requires more potent and sustained inhibition of DHODH. Previous efforts to develop high potency DHODH inhibitors for oncology indications were unsuccessful. Candidate drugs had unacceptable levels of toxicity due to off-target binding and would accumulate in the body, requiring up to two years to clear below pharmacologically active levels after dosing was stopped. As a result, development of these inhibitors did not progress. In contrast, ASLAN003 is not chemically related to first generation DHODH inhibitors. ASLAN003 is up to two orders of magnitude more potent at inhibiting DHODH than *leflunomide* and *teriflunomide*, and has a half-life of 18 hours, which should allow once daily dosing. We assessed the potency of ASLAN003 using three standard assays: cell free, human primary cell and human whole blood. The table below shows that ASLAN003 is more potent than

*teriflunomide*. The $IC_{50}$ value is the concentration of the drug required to produce 50% inhibition of response in the assay.

**ASLAN003 Cellular and Biochemical Potency**

| Assay | ASLAN003 ($IC_{50}\mu M$) | Teriflunomide ($IC_{50}\mu M$) |
|---|---|---|
| Cell free | 0.035 | 1.1 |
| Human primary cell | 1.4 | 46 |
| Human whole blood | 2.5 | 259 |

*Advantages*

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

- **Potent inhibition of DHODH.** The binding affinity of ASLAN003 to DHODH is up to two orders of magnitude stronger than first generation DHODH inhibitors, such as *leflunomide* and *teriflunomide*. This highly specific and potent inhibition of human DHODH has the potential to reach the levels required to be efficacious in oncology.
- **Lack of toxicities associated with first generation inhibitors and other novel AML therapies.** Existing DHODH inhibitors, such as *leflunomide* and *teriflunomide*, are associated with significant liver toxicity. Both of these drugs take between three and four weeks to build to therapeutic levels and two years to clear completely after dosing is stopped. In contrast, ASLAN003 reaches full exposure in 24 hours with a half-life of 18 hours allowing rapid clearance following cessation of treatment. Furthermore, recently launched AML therapies, such as *midostaurin* and *enasidenib*, are associated with significant hematological and liver toxicities. Many AML patients are elderly or cannot otherwise tolerate significant toxicities. As a result, we believe the safety profile of ASLAN003 could allow its use in these patients.
- **Enables AML blast cells to differentiate into granulocytes and may be applicable in a broad range of AML patients.** ASLAN003 has demonstrated the ability to differentiate AML blast cells into granulocytes in a variety of AML cell lines that do not respond to ATRA. ASLAN003 may have applicability in patients that do not respond to ATRA, which represent approximately 85% of AML patients.
- **Evidence of activity in TNBC.** Recent data suggest that DHODH inhibition is active in animal models of TNBC, an aggressive type of breast cancer with few effective treatment options.

*Market Opportunity*

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

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

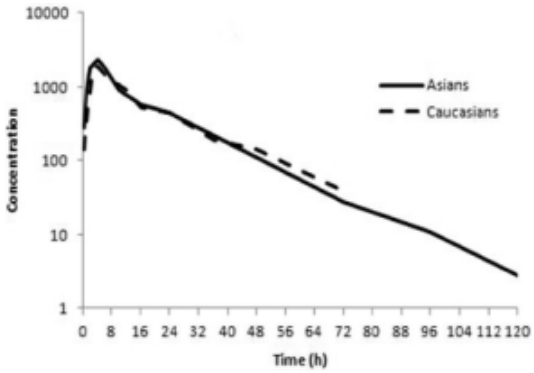
*Preclinical and Clinical Development*

Our Phase 1 single and multiple ascending dose clinical trials of ASLAN003, which were conducted with 95 healthy subjects, demonstrated dose proportional pharmacokinetics and no accumulation in the body. The exposure profile of the drug was highly similar in Asian and Caucasian subjects, and demonstrated stable drug levels in plasma at multiple doses.

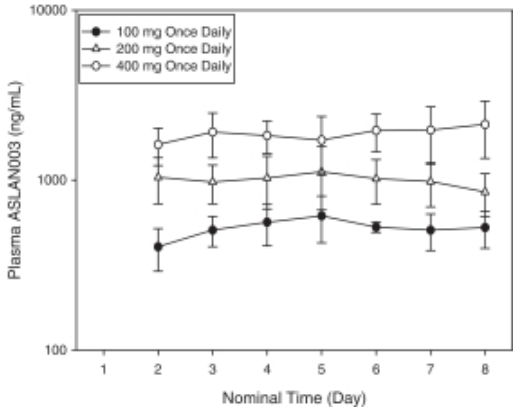
After a single 100mg oral dose of ASLAN003, the plasma levels of the drug in Caucasians and Asians were highly similar. ASLAN003 also reached steady state after the second day of dosing and did not accumulate in the body.

**ASLAN003 Pharmacokinetic Profile**

**Single Dose**

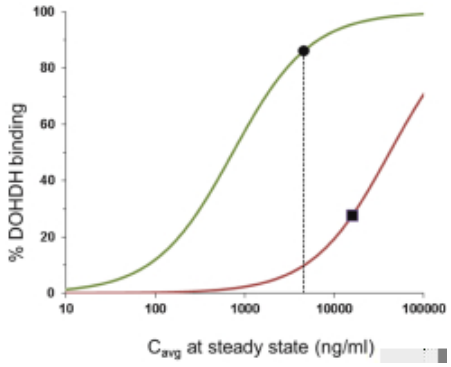



**Multiple Dose**




We predict the exposure of ASLAN003 to result in approximately 90% inhibition of DHODH, with 400mg taken once daily, in comparison to the maximum dose of *teriflunomide*, which leads to only 30% inhibition, as shown in the graph below:

**DHODH Binding with ASLAN003 Compared to Teriflunomide**




*ASLAN003 in AML*

In AML, cancerous blast cells fail to differentiate into mature blood cells and do not follow normal processes controlling cell death due to genetic mutations. As a result, the number of blast cells increases to very high levels,

crowding out normal red and white blood cell production in the bone marrow, which can eventually result in patient death. Normal differentiated blast cells express specific cell surface markers, such as CD11b, and contain granules, which are active compartments inside the cell that store molecules for killing invading pathogens. ASLAN003 has demonstrated the ability to cause differentiation of AML blast cells leading to mature cells that correctly express CD11b and contain active granules.

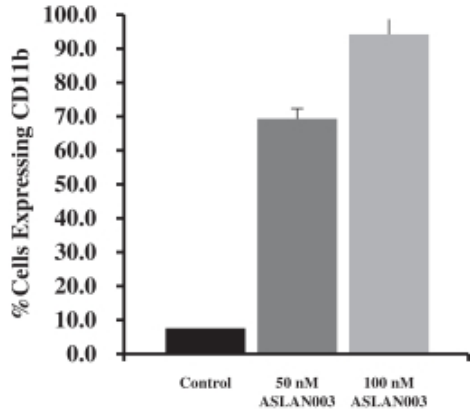
Data published in 2016 identified inhibition of DHODH as a key mechanism that can trigger differentiation of blast cells in AML. Inhibition of DHODH and the resultant depletion of the pyramidine pool in AML resulted in extensive differentiation in *in vitro* and *in vivo* mouse bone marrow transplant models. In preclinical studies, we have demonstrated that ASLAN003 can differentiate AML blast cells *in vitro* in a variety of AML cell lines: KG-1, MOLM-14 and THP-1.

*Differentiation of AML Cell Lines with ASLAN003*

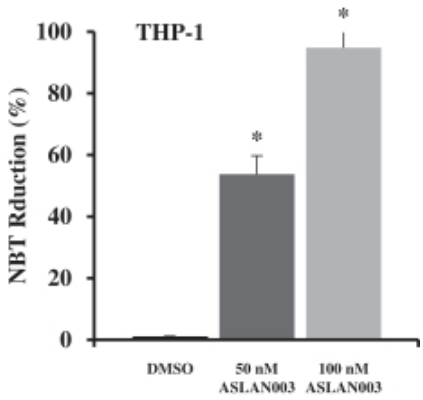
The human AML blast cell line, THP-1, demonstrated differentiation when exposed to low doses of ASLAN003 characterized by expression of cell surface markers of normal immune cells, such as CD11b, condensation of the nuclei and formation of active granules that are indicative of normal human white blood cells. Low concentrations of ASLAN003, approximately equivalent to a 50mg once daily dose in patients, led to over 95% upregulation of CD11b which is indicative of differentiation of AML blast cells to granulocytes.

ASLAN003 exposure also resulted in blast cells developing condensed, lobed nuclei, characteristic of normal human granulocytes, and in the appearance of active granules in the cytoplasm, as demonstrated by the reduction of Nitro Blue Tetrazolium, or NBT, a standard assay for granulocytes, as shown below:

**Upregulation of CD11b in AML Blast Cell Line THP-1 with ASLAN003**




**Formation of Active Granules in AML Blast Cell Line THP-1 with ASLAN003**




*AML Phase 2 Clinical Trial*

We have initiated an Phase 2 clinical trial with ASLAN003 in relapsed/refractory AML in Singapore and Australia. We intend to initially recruit 18 patients for this trial and test three doses of ASLAN003 in the AML population as monotherapy with a primary endpoint of the rates of complete remission, or CR, and complete remission with incomplete bone marrow recovery, or CRi, followed by an expansion cohort of an additional 20 patients with the potential to combine with standard induction chemotherapy.

*Potential Development Opportunity for ASLAN003 in Solid Tumors*

Recent publications have demonstrated that PTEN mutant cancers and TNBC are particularly sensitive to DHODH inhibition. Additional evidence suggests that DHODH inhibitors may have synergistic efficacy in

TNBC in combination with commonly used chemotherapies and CHK1 inhibitors. We are evaluating ASLAN003 efficacy in TNBC and HCC PDX models.

*Safety*

ASLAN003 has been dosed in 95 healthy subjects and was well-tolerated in single ascending and multiple ascending dosing, or MAD, up to a maximum dose of 400mg once daily. In single ascending, dosing no AEs were observed. In multiple ascending dosing of 53 subjects, the significant majority of AEs were mild to moderate, as summarized in the table below.

**Adverse Event Profile of ASLAN003 (MAD)**

| Adverse Event (53 subjects) | (N) | (%) | Mild[1] (N) | Moderate[2] (N) | Severe[3] (N) |
|---|---|---|---|---|---|
| Liver enzymes | | | | | |
| • Alanine aminotransferase (ALT) | 6 | 11% | 4 | 2 | 0 |
| • Aspartate aminotransferase (AST) | 4 | 8% | 3 | 1 | 0 |
| • Gamma-glutamyltransferase (GGT) | 4 | 8% | 3 | 0 | 1 |
| • Billirubin | 0 | 0% | 0 | 0 | 0 |
| Gastrointestinal | 3 | 6% | 3 | 0 | 0 |
| Nervous system | 2 | 4% | 1 | 1 | 0 |
| Mouth ulceration | 2 | 4% | 2 | 0 | 0 |
| Cholesterol | 1 | 2% | 0 | 1 | 0 |
| Rash | 1 | 2% | 1 | 0 | 0 |

*(1) Mild: Does not interfere in a significant manner with the subject's normal functioning level.*

*(2) Moderate: Produces some impairment of functioning, which may require medical intervention.*

*(3) Severe: Produces significant impairment of functioning or incapacitation and is a definite hazard to the subject's health.*

***ASLAN004***

We believe ASLAN004 is the only fully human monoclonal antibody in clinical development that targets the IL-13 receptor α1 subunit, or IL-13Rα1. By targeting IL-13Rα1, ASLAN004 potently inhibits signaling of both interleukin 4, or IL-4, and interleukin 13, or IL-13. IL-4 and IL-13 are central to triggering symptoms of allergy in atopic dermatitis, such as redness and itching of the skin, as well as asthma symptoms such as shortness of breath, wheezing and coughing. *Dupilumab* is marketed for severe atopic dermatitis and recently completed a successful Phase 3 clinical trial in asthma. As we target the same pathways as *dupilumab*, we believe ASLAN004 can follow a similar regulatory path. We believe ASLAN004 has the potential to become a first-in-class IL-13Rα1 inhibitor. By targeting IL-13Rα1, a receptor with a narrower cellular distribution than the IL-4 receptor, we believe ASLAN004 has the potential to offer both a lower dose and lower dosing frequency, which are important features for subcutaneous injections, providing greater patient convenience. In addition, ASLAN004 has more selective binding than *dupilumab*, which we believe could give ASLAN004 a more favorable side effect profile than *dupilumab*. We expect to initiate a Phase 1 clinical trial for ASLAN004 in the second half of 2018 and plan to continue development in asthma and severe atopic dermatitis. In the future, we may also develop ASLAN004 in other inflammatory indications, such as chronic obstructive pulmonary disorder, or COPD. We licensed worldwide rights for ASLAN004 from CSL Limited, or CSL, in May 2014.

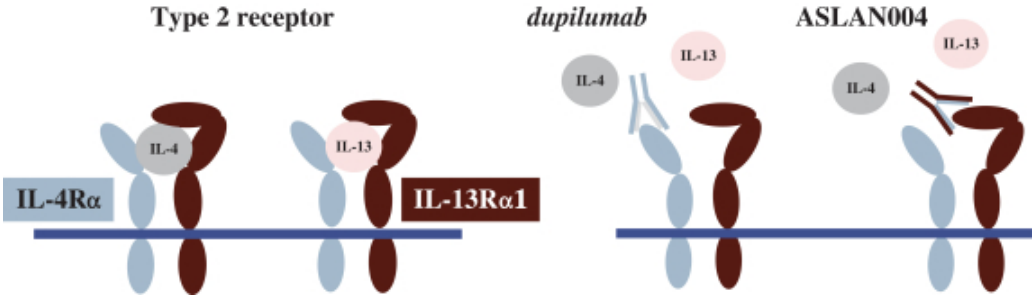
*Mechanism of Action*

ASLAN004 is a fully human monoclonal antibody with high affinity binding that inhibits both IL-4 and IL-13 signaling by binding to IL-13Rα1. The cytokines IL-4 and IL-13 are the main drivers of allergic inflammation

and have mutually redundant functions. They selectively bind and stimulate the type 2 receptor, which is a complex composed of IL4Rα and IL-13Rα1. Stimulation of the common receptor for IL-4 or IL-13 triggers a signaling cascade that can result in severe atopic dermatitis or asthma. The pivotal role for this pathway in these disease indications has been exemplified by the monoclonal antibody *dupilumab* which binds to IL-4Rα to block signaling by IL-4 and IL-13. We are not aware of any other monoclonal antibody in development that can inhibit both IL-4 and IL-13 signaling. IL-13Rα1 has a narrower cellular distribution than IL-4Rα. We believe this can offer potential benefits that include both a lower injection volume and dosing frequency than *dupilumab*, which requires subcutaneous injections every two weeks with a 2 milliliter injection volume. These potential benefits of ASLAN004 would represent meaningful advantages for patient treatment. An additional benefit of ASLAN004 is its lack of binding to the type 1 receptor, which is expressed on a broader range of hematological cell types. We believe that by avoiding inhibition of the type 1 receptor, ASLAN004 may have fewer side effects than *dupilumab*, which does bind the type 1 receptor.

The figure below demonstrates the binding of ASLAN004 and *dupilumab* to the type 2 receptor:

**IL-4 / IL-13 Receptor Antibody Mechanism of Action**




*Advantages*

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

- **Validated mechanism with the potential for greater efficacy than IL-13 selective and IL-4 selective inhibitors.** IL-13 selective and IL-4 selective inhibitors, such as *lebrikizumab*, have shown limited efficacy in treating allergic inflammation, with several agents recently failing to demonstrate efficacy in Phase 2 and Phase 3 clinical trials. We believe that agents that can block the activity of both IL-4 and IL-13 will be more efficacious. *Dupilumab* was shown to be effective in treating moderate-to-severe atopic dermatitis by blocking IL-4 and IL-13 activity. Similar to *dupilumab*, ASLAN004 also blocks the activity of IL-4 and IL-13.
- **Potential for less frequent dosing.** *Dupilumab* is dosed once every two weeks with a 2 milliliter subcutaneous injection. Based on the formulation of ASLAN004, we may be able to offer a once monthly injection with a smaller injection volume. This potential reduced injection frequency would provide patients with greater convenience, with half the number of required injections.
- **Potential for improved safety profile.** ASLAN004 targets the IL-13Rα1 subunit of the IL-4/IL-13 receptor, whereas *dupilumab* blocks IL-4Rα. As a result, both ASLAN004 and *dupilumab* block the type 2 receptor, which contains IL-4Rα and IL-13Rα1, however only *dupilumab* blocks the type 1 receptor, which contains IL-4Rα but not IL-13Rα1, and is present on B-cells and macrophages. We believe that by avoiding inhibition of the type 1 receptor, ASLAN004 may have fewer side effects.

*Market Opportunity*

*Market Opportunity in Severe Atopic Dermatitis*

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

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

*Market Opportunity in Asthma*

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

Xolair (anti-IgE) and Nucala (anti-IL5) are the two leading biological therapies by sales. Novel therapies like *dupilumab* (not yet approved in asthma) are anticipated to compete with biological therapies and inhaled therapies.

*Preclinical and Clinical Development*

ASLAN004 is a fully human IgG4 monoclonal antibody that specifically binds to the human IL-13Rα1 protein and was originally made using the Medarex mouse technology. The antibody was isolated and optimized to have picomolar binding affinity by CSL Behring, a member of the CSL group of companies.

ASLAN004 is a potent inhibitor of both IL-4 and IL-13 signaling with a binding affinity in the picomolar range for human IL-13Rα1. In *in vitro* assays, ASLAN004 inhibits the release of mediators that trigger allergic reactions with an IC50 in the low nM range.

We have constructed manufacturing cell lines that deliver a yield of over two grams per liter of therapeutic antibody. ASLAN004 has been successfully manufactured at the 500-liter production scale in accordance with current good manufacturing practices, or cGMP. ASLAN004 has been tested in four-week good laboratory practices, or GLP, compliant toxicology studies in primates.

We expect to initiate a Phase 1 dose escalation clinical trial for ASLAN004 in 2018 in healthy volunteers, followed by a multiple ascending dose Phase 1 trial conducted in severe atopic dermatitis patients. This clinical trial is expected to provide early efficacy data in severe atopic dermatitis, allowing dose selection and an early comparison to currently available standards of care.

**Preclinical Pipeline**

We have been building an immuno-oncology portfolio to provide a pipeline of innovative drug candidates that could be used as monotherapy or in combination with other drug candidates in our portfolio.

- **RON kinase—an immuno-oncology target expressed on the macrophage, whose inhibition could enhance T-cell activity.** We have an ongoing collaboration with the Huntsman Institute in Utah

studying the effects of RON inhibition. RON kinase activation may lead to the formation of macrophages with an M2 phenotype, which are tumor supportive. By inhibiting RON, the macrophage type 1 phenotype may be preferred and this phenotype is tumor suppressive, releasing cytokines that can potentially enhance the activity of T-cells. This may lead to synergistic activity when combined with PD1 or CTLA4 inhibitors. We have started development of a fully human monoclonal antibody against the extracellular domain of RON kinase.

- **Modybodies—single heavy chain fragment antibodies.** We are collaborating with Nanyang Technical University, or NTU, in Singapore on a novel antibody fragment technology called Modybodies, which are stabilized heavy chains that are one tenth the size of a conventional antibody and consequently can target domains that cannot be accessed by much larger monoclonal antibodies. Modybodies can be rapidly isolated and selected for high binding affinity and good stability. Modybodies can also be easily linked together to make molecules that can bind to more than one target in the same therapeutic molecule. Modybodies may have advantages over other antibody fragment technologies as they are fully human and potentially less immunogenic. Under the collaboration, NTU plans to generate Modybodies by phage display library screening against three specific immuno-oncology targets. When Modybodies are generated with properties that meet an agreed candidate drug target profile, we may progress them into preclinical and clinical development.

**Competition**

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

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

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

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

***Varlitinib***

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

- There are no targeted therapies approved for first-line HER1/HER2 coexpressing gastric cancer (that is not HER2-amplified); however, *trastuzumab* is approved in combination with chemotherapy for the treatment of first-line HER2-positive metastatic gastric cancer and there are other drugs approved for later lines of treatment, including Eli Lilly and Company's *ramucirumab* and Merck & Co., Inc.'s *pembrolizumab*. There are several other drugs in clinical development for first-line gastric cancer, including BMS' *nivolumab* and *pembrolizumab*.
- Puma Biotechnology, Inc.'s *neratinib* is approved in adjuvant breast cancer, but is not currently being developed in gastric cancer or biliary tract cancer.

***ASLAN003***

- We do not consider chemotherapy to be a competitor as we expect ASLAN003 to be used either in patients that are not eligible for chemotherapy or in combination with chemotherapy.
- *Enasidenib* was recently approved to treat adults with AML whose tumors have mutations in IDH2, which represents around 10-15% of AML patients. In the single-arm registration study, 40% of patients responded to *enasidenib*; however, differentiation syndrome, which can be fatal if not treated, occurred in 14% of patients.
- *Midostaurin* was also recently approved to treat newly diagnosed AML patients with a FLT3 mutation, which represents around 30% of AML patients.
- There are a large number of drugs currently in development for AML. Most of these target specific subsets of disease.

***ASLAN004***

- We are not aware of any other drugs targeting IL-13Rα1 and we believe our intellectual property would preclude such development.
- *Dupilumab* from Sanofi S.A. and Regeneron Pharmaceuticals, Inc. is approved to treat moderate-to-severe atopic dermatitis and recently completed a Phase 3 clinical trial in severe asthma. We expect *dupilumab* will be approved in severe asthma in the near future.
- There are several IL-13 selective inhibitors in development, including *lebrikizumab* being developed by Dermira, Inc., and *tralokinumab* being developed by AstraZeneca. Both of these drugs have recently failed in Phase 3 clinical trials in asthma, however they may be successful in other indications, such as atopic dermatitis.

**Manufacturing**

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

We are currently developing a validated commercial process for the manufacture of *varlitinib*. We have contracted with two cGMP compliant third-party manufacturers in the United Kingdom and China to manufacture the active pharmaceutical ingredient and final tablet. The first batches of *varlitinib* for commercial supply are expected to be available in late 2018.

ASLAN has worked with one contract research organization to manufacture ASLAN004 at a 500 liter scale and is currently in the process of selecting a long term commercial manufacturer for this drug. Fill and finish for ASLAN004 is performed by Vetter Pharma International GmbH, or Vetter, in the United States, which is capable of manufacturing final drug product for commercial launch.

***Varlitinib***

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

***ASLAN003***

ASLAN003 drug substance has been manufactured by Sigma-Aldrich Company LTD in Switzerland at the 30kg scale in accordance with cGMP. ASLAN003 drug product in the form of capsules has been manufactured by WuXi in China in accordance with cGMP. We expect to develop an ASLAN003 tablet in 2018 and plan to conduct further scale up and process optimization.

***ASLAN004***

Manufacturing cell lines for ASLAN004 were created by Selexis SA in Switzerland. These cell lines deliver over two grams of drug substance per liter. Process development for ASLAN004 was established at JHL Biotech, Inc. and 500 liter manufacture for toxicology and cGMP compliant clinical supply has been completed. Vetter in the United States is responsible for cGMP-compliant fill and finish into glass vials for clinical supply.

**License and Collaboration Agreements**

***License Agreement with Array***

On July 12, 2011, we entered into a collaboration and license agreement with Array, relating to Array's pan-HER inhibitor, ARRY-543, which we refer to as *varlitinib*, pursuant to which we obtained an exclusive, worldwide license to develop products incorporating *varlitinib* as an active ingredient for the treatment or prevention of any diseases or conditions in humans, pursuant to an agreed development plan, and an exclusive, worldwide license to pursue a commercial licensing program in relation to such products.

Under the agreement, we agreed, at our own cost, to use diligent efforts to conduct the development program through to clinical proof of concept. During the term of the agreement, we agreed not to conduct, participate in or fund research and development with respect to, or commercialize, a product comprising any compound or product that targets either EGFR or ErbB-2. After the development plan has been completed, either party can make an offer to buy out the right to grant licenses to third parties to commercialize products from the other, extinguishing the other's right to royalties; however, once a buy-out offer is initiated, the other party has the right to elect to buy out the offering party's rights for the same amount that was offered by the offering party.

In consideration of the rights granted to us under the agreement, we paid no upfront fee, but we are required to pay Array 50% of the proceeds arising from the licensing program.

If (i) no patent covering the composition of matter for *varlitinib* has been or is likely to be issued in China, (ii) a license to develop and commercialize products incorporating *varlitinib* has been granted to a third party for major markets outside China, including at least the U.S. and either Europe or Japan, and (iii) no third party has been granted a license to develop and commercialize products incorporating *varlitinib* for China, we have an option to further develop products incorporating *varlitinib* for China (subject to written approval from the licensee of the licenses granted in such major markets outside China) and to commercialize products incorporating *varlitinib* in certain areas of China. If such option is exercised, we must pay Array 11% of net sales of such products to end users by us or our affiliates. For other sales (via sublicensees), we can choose between paying 11% of overall net

sales of such products to end users, or alternatively 50% of net licensing proceeds in connection with such products. These royalty obligations would continue for fifteen years from first commercial sale of products in China.

Under the agreement, we also have right of first negotiation regarding another compound, ARRY-502. However, we currently have no plans to pursue the development or commercialization of ARRY-502.

All right, title and interest in and to all intellectual property made solely by personnel of a party will be owned by such party and all right, title and interest in and to all intellectual property made jointly by our personnel and personnel of Array will be jointly owned under the terms of the agreement.

The agreement will, unless earlier terminated, continue until two years after conclusion of the development plan, unless a license with a third party to commercialize products has been entered into by that time, in which case the agreement will continue in force to the extent necessary to permit such third party license to continue. Array can terminate the agreement if we do not complete the development program within the timeframe set forth in the applicable development plan, upon 180 days' notice to us (which we can cure during that time). Either party may terminate the agreement (i) in the event of the other party's material breach of the agreement that remains uncured for 90 days after notice, (ii) if that the pre-agreed stopping criteria set forth in the development plan are met or in the event of a material safety risk associated with a product, or (iii) upon insolvency of the other party.

***Development and License Agreement with Almirall***

On May 16, 2012, we entered into a development and license agreement with Almirall, pursuant to which we obtained an exclusive, worldwide license to certain patents, know-how and other intellectual property controlled by Almirall to a DHODH inhibitor, LAS186323, which we refer to as ASLAN003. The licensed field covered by this agreement was limited to the treatment or prevention of rheumatoid arthritis, excluding any topical formulation.

On December 21, 2015, we entered into an amended development and license agreement with Almirall which replaced the previous agreement. Under the amended agreement, we obtained from Almirall an expanded exclusive, worldwide license to develop, manufacture and commercialize ASLAN003 products for all human diseases with primary focus on oncology diseases, excluding dermatological disease or topical formulations. We generally have the right to sublicense our rights under the agreement, except that Almirall has a right of first negotiation to license ASLAN003 from us for the treatment of melanoma in the event that we commence negotiations with a third party for the grant of such license.

Under the amended agreement, we are generally obligated to use commercially reasonable efforts to develop ASLAN003 products in accordance with the development plan, and to commercialize ASLAN003 products, either by ourselves or through sublicensees. We agreed not to develop or commercialize any competing product that has the same mechanism of action as ASLAN003 while the intellectual property licensed from Almirall remains in force or for ten years after the launch of ASLAN003 products on a country-by-country basis, whichever is longer. In addition, we granted to Almirall the irrevocable right to use certain developed know-how for Almirall's internal programs for topical use and/or in the dermatology field. Almirall will have the right to commercialize the results of such internal programs for topical use and/or in the dermatology field.

In consideration of the rights granted to us under the amended agreement, we will be required to pay an aggregate of up to $13 million if certain development milestones are achieved and an aggregate of up to $60 million if certain regulatory and commercial milestones are achieved. If we commercialize any ASLAN003 products, we will be required to pay Almirall tiered royalties in the mid single-digit range on net sales of ASLAN003 products, subject to adjustments in certain circumstances. In the event we sublicense any of our rights under the agreement relating to the ASLAN003 technology, we will be obligated to pay Almirall 10% of sublicensee income we may receive under such sublicenses.

Unless earlier terminated, the amended agreement continues indefinitely. Either party may terminate the agreement (i) in the event of the other party's material breach of the agreement that remains uncured for a specified period of time, (ii) if significant safety issues arise which make development or commercialization of the product unlawful or in violation of standard industry practices, (iii) if the other party becomes insolvent or (iv) if the continuation of the agreement is no longer commercially viable, as proven by us based on supporting objective data reasonably acceptable to Almirall and us. Almirall may terminate the agreement (i) if we fail to provide evidence of having used commercially reasonable efforts to pursue development or commercialization, (ii) if we challenge or assist third parties in challenging any intellectual property rights licensed from Almirall under the amended agreement, (iii) if there is a general withdrawal or recall of ASLAN003 products from any country, on a product-by-product and/or country-by-country basis or (iv) upon a change of control of ASLAN if such change of control could reasonably be expected to lead to an impairment to Almirall, subject to certain conditions. Under the agreement, an impairment in connection with a change of control will only be deemed to occur if Almirall can demonstrate that (i) a competitor of Almirall will control us, (ii) the commercial value of ASLAN003 products may be damaged, (iii) the commercial value of the Almirall's topical and/or dermatology products containing Almirall's LAS186323 compound may be adversely affected, (iv) Almirall's reputation or the reputation of any of Almirall's products or compounds in the marketplace may be damaged and/or (v) the party that will control us lacks the resources to maximize commercial sales of ASLAN003 products.

***License Agreement with CSL***

On May 12, 2014, we entered into a license agreement with CSL, pursuant to which we obtained an exclusive, worldwide license to certain patents, know-how and other intellectual property owned or controlled by CSL related to CSL's anti-IL13 receptor monoclonal antibody, CSL334, which we refer to as ASLAN004, and antigen binding fragments thereof. Under the agreement, we have the exclusive right to develop ASLAN004 products through clinical proof of concept for the treatment, diagnosis or prevention of diseases or conditions in humans. Although we do not have the right to commercialize ASLAN004 products ourselves, we have the right to grant the commercial rights to third parties after we achieve clinical proof of concept subject to certain conditions.

We are obligated to develop ASLAN004 products through clinical proof of concept at our own expense, and we are required to achieve certain development milestones by specified dates.

In consideration of the rights granted to us under the agreement, we are required to pay to CSL a mid-double digit share of all licensing revenue we receive. We are also responsible for all payments to third-party licensors to CSL, to the extent such obligations relate to our exploitation of the rights licensed under CSL's agreement with those parties.

The agreement continues until 12 months after the final development milestone date. However, if we have entered into a sublicense granting the right to commercialize ASLAN004 products to a third party before such date, then the agreement will be extended until the expiration or termination of such third-party sublicense.

Either party may terminate the agreement (i) in the event of the other party's material breach of the agreement that remains uncured for a specified period of time, (ii) under certain circumstances related to the safety of ASLAN004 or (iii) if the other party becomes insolvent. In addition, we may terminate the agreement under certain circumstances related to the development and commercialization of ASLAN004.

In the event that we enter into an agreement with a third party for the commercialization of ASLAN004 products, and such agreement subsequently expires by its terms, the license of CSL patents and know-how granted under the license agreement will become fully paid-up and perpetual as they relate to the agreement with the third party. If the agreement is terminated or expires and CSL subsequently commercializes ASLAN004 products or grants a third party rights to commercialize ASLAN004 products, then CSL will pay us royalties on the net sales of ASLAN004 products or share license revenue with us (whichever is applicable).

***Collaboration Agreement with NTU***

On October 10, 2016, we entered into a licensing and research collaboration agreement with NTU to develop Modybodies using NTU's novel antibody fragment technology against three specific immuno-oncology targets that we select. All amounts payable under the agreement will be paid in Singapore dollars, or SG$. To fund the research collaboration, NTU agreed to make certain in-kind contributions, and we agreed to make cash payments of $188,888 (SG$255,000) in the aggregate and an in-kind contribution of $27,400 (SG$37,000).

We have an exclusive option, under pre-negotiated terms, to obtain global rights to develop and commercialize the Modybodies against the three targets that we select. If we exercise the option, we will be required to pay an upfront fee. In addition, if we achieve certain development and commercialization milestones with respect to the Modybodies, we will also be required to make various milestone payments of up to $9.4 million (SG$12.8 million) in the aggregate. We will also be required to pay NTU tiered royalties in the single-digit range on the net sales of the Modybodies. We have not exercised this option.

The agreement, as amended, has an 18-month term and will expire in April 2018. 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 or liquidation of the other party. The agreement may also be terminated by either party if the parties cannot agree to proceed with the project at any decision point set out in the project plan, or if the parties cannot find a mutually acceptable replacement if the principal investigator for the project is unable to continue to serve. If we exercise our option to obtain global rights to develop and commercialize the Modybodies against the three targets that we select, then unless earlier terminated, such rights will continue on a country-by-country basis until the later of (i) the last to expire of any NTU patents licensed under the agreement or (ii) 20 years from the date of the first commercial sale of a product covered by any NTU patents licensed under the agreement.

**Intellectual Property**

***Patents***

Our commercial success depends in part on our ability to identify, obtain and seek protection for our products, drug candidates and our core technologies employing a combination of patent rights, trade secrets, confidentiality agreements and contractual obligations and to operate without infringing, misappropriating or otherwise violating on the proprietary rights of third parties. It is also important we prevent others from infringing, misappropriating or otherwise violating our proprietary or intellectual property rights.

Our intellectual property strategy is, where appropriate, to file new patent applications on inventions, including improvements to existing products/candidates and processes to improve our competitive edge or to improve business opportunities. We continually assess and refine our intellectual property strategy to endeavor to ensure it is fit for purpose.

Our strategy requires us to license assets from third parties with suitable protection and to identify and seek patent protection for our inventions, when possible. This process is expensive and time consuming and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost, in a timely manner or in all jurisdictions where protection may be commercially advantageous, or we may financially not be able to protect our proprietary rights at all. Despite our efforts to protect our proprietary rights, unauthorized parties may be able to obtain and use information we regard as proprietary. Generally, many therapeutic indications currently being pursued have a focus in Asia markets. Where possible, we seek to file in at least major commercial jurisdictions relevant to the product or technology, however, this is assessed on a case by case basis.

Licensing assets from third parties involves technical and scientific due diligence to assess the opportunity, the strength of the intellectual property protection for the asset and the ability to commercialize the asset. This due

diligence is usually conducted over a relatively short period of time. It can be difficult to identify all the issues relevant to the assessment. Failure to identify all the relevant issues can impact negatively on the values of the asset.

The issuance of a patent does not ensure that it is valid or enforceable. Therefore, even if we are issued a patent, it may not be valid or enforceable against third parties. Issued patents may be challenged, narrowed, invalidated or circumvented. In addition, court decisions may introduce uncertainty in the enforceability or scope of patents owned by pharmaceutical and biotechnology companies. Thus, any of our patents, including patents that we may rely on to protect our market for approved drugs, may be held invalid or unenforceable by a court of final jurisdiction.

Because patent applications in the United States, Europe and many other jurisdictions are typically not published until 18 months after filing, and because publications of discoveries in scientific literature lag behind actual discoveries, we cannot be certain that we were the first to make the inventions claimed in our issued patents or pending patent applications, or that we were the first to file for protection of the inventions set forth in our patents or patent applications. As a result, we may not be able to obtain or maintain protection for certain inventions. Therefore, the enforceability and scope of our patents in the United States, Europe and in many other jurisdictions cannot be predicted with certainty and, as a result, any patents that we own or license may not provide sufficient protection against competitors. We may not be able to obtain or maintain patent protection from our pending patent applications, from those we may file in the future, or from those we may license from third parties. Moreover, even if we are able to obtain patent protection, such patent protection may be of insufficient scope to achieve our business objectives.

In addition, the issuance of a patent does not give us the right to practice the patented invention. Third parties may have blocking patents that prevent marketing of our products or working our own technology. We endeavor to identify early third party patents and patent applications which may be blocking to a product or technology, to minimize this risk. However, relevant documents may be overlooked or missed, which may in turn impact of the freedom to commercialize the relevant asset.

The term of a patent depends upon the laws of the country in which it is issued. In most jurisdictions, including the United States, Europe, China and Japan, the basic patent term is 20 years from the earliest filing date of a non-provisional patent application. In the United States, Europe and Japan, patents relating to inventions are effective for 20 years, subject to the payment of renewal fees. Some jurisdictions, such as the United States, Europe and Japan provide for up to an additional five years patent term extension for therapeutics products that require marketing approval. The requirements for this supplementary protection are set by the relevant authorities in the given jurisdiction. Products approved before the expiry of the basic patent term may benefit from such a patent term extension. It is our strategy to apply for such supplementary protection, where possible.

In addition to patent protection, statutory provisions in the United States, Europe and other countries may provide a period of clinical data exclusivity which may be followed by an additional period of market exclusivity to compensate for the time required for regulatory approval of our drug products. Once the relevant criteria are satisfied, the protection applies automatically. The length of protection depends on the jurisdiction and may also depend on the type of therapy.

Third parties may seek to market “similar” versions of our approved products. Alternatively, third parties may seek approval to market their own products, similar or otherwise, competitive with our products. We may not be able to block the commercialization of these products, which may erode our commercial position in the market place.

If disputes over intellectual property and other rights that we have licensed or co-own prevent or impair our ability to maintain our current licensing or exclusivity arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates. In addition, under certain of our

collaboration agreements, our licensors may retain the right to grant non-exclusive licenses to the licensed patents and technology to other academic or research institutions for non-commercial research purposes.

Certain provisions in the agreements under which we currently license intellectual property or technology to and from third parties may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, increase what we believe to be our financial or other obligations under the relevant agreement or decrease the third party's financial or other obligations under the relevant agreement, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

*Varlitinib*

*Licensed from Array*

On July 12, 2011, we entered into a collaboration and license agreement with Array, relating to Array's pan-HER inhibitor, ARRY-543, which we refer to as ASLAN001 or *varlitinib*, pursuant to which we obtained an exclusive, worldwide license to develop products incorporating *varlitinib* as an active ingredient for the treatment or prevention of any diseases or conditions in humans, pursuant to an agreed development plan, and an exclusive, worldwide license to pursue a commercial licensing program in relation to such products.

The basic protection for *varlitinib* is provided by a family of composition of matter patents. These patents disclose a genus and also explicitly discloses *varlitinib* (example number 52 in WO2005/016346).

As of December 6, 2017, this family of patents included patents issued in the United States (at least three patents, some relating to intermediates and processes), Australia, Canada, China (at least three patents), Chile, Colombia, Europe, Hong Kong, Indonesia, India, Iceland, Japan, South Korea, Macau, Mexico, Norway, New Zealand, Philippines, Russia, Singapore, Ukraine and South Africa. In addition, as of December 6, 2017, this family of patents included patent applications filed in Argentina, Brazil, Egypt, Taiwan and Venezuela. The scope of the claims may differ in the various countries. The normal expiration of this family of patents is November 2024 in the United States and August 2024 outside the United States, subject to the payment of renewal fees.

The first patent application filed in China was not granted based on a technicality of Chinese practice. Subsequently filed divisional patent applications were granted. If the validity of one or more of the granted divisional patents is challenged then one or more of these patents may ultimately be considered invalid. In China typically branded medicines may still grow their market share, even after patent expiration. This trend along with subsequently filed patent applications and the Chinese data exclusivity provisions may minimize the impact of negative decisions that may be received in respect of one or more of the divisional patents.

Protection for the synthetic process of making *varlitinib* and a key intermediate in that process may be provided from the family of patents derived from WO2007/059257, filed November 15, 2006. As of December 6, 2017, this family of patents includes issued patents in Australia, Canada, China, Colombia, Europe, Hong Kong, Iceland, Israel, Japan, South Korea, Mexico, Philippines, Singapore, Taiwan, Ukraine and the United States. In addition, as of December 6, 2017, this family of patents included patent applications filed in Brazil, India, Norway and Russia. The scope of the claims may differ in the various countries. The normal expiration of this family of patents is November 2026.

*Owned by Us*

We are the applicant on a number of pending patents mostly relating to medical uses or combination therapies. These include the following pending patent applications:

- published Patent Cooperation Treaty, or PCT, application WO2017/037292 filed September 5, 2017 relates to a combination therapy comprising *varlitinib* and ASLAN003;

- published PCT application WO2017/037298 filed September 5, 2016 relates to use of *varlitinib* in sensitizing a patient to chemotherapy;
- published PCT application WO2017/037299 filed September 5, 2016 relates to use of *varlitinib* in the treatment of biliary tract cancer;
- published PCT application WO2017/037300 filed September 5, 2016 relates to use of *varlitinib* in treatment of resistant cancers; and
- published PCT application WO2017/184086 filed April 21, 2017 relates to use of the *varlitinib* in the treatment of HCC.

Normal expiration of these patents, if granted, is 2036 or 2037 subject to the payment of renewal fees. It is not clear what claims may be granted, if any, when these patents are pursued at the national and regional phase.

There is one unpublished PCT application and at least four unpublished Singapore priority patent applications relating to use of *varlitinib*. These patent applications are at an early stage of filing and it is not possible to predict what claims may be ultimately granted, if any from these patent applications.

*ASLAN003*

*Licensed from Almirall*

On May 16, 2012, we entered into a development and license agreement with Almirall, pursuant to which we obtained an exclusive, worldwide license to certain patents, know-how and other intellectual property controlled by Almirall to a DHODH inhibitor, LAS186323, which we refer to as ASLAN003. On December 21, 2015, we entered into an amended development and license agreement with Almirall which replaced the previous agreement. Under the amended agreement, we obtained from Almirall an expanded exclusive, worldwide license to develop, manufacture and commercialize ASLAN003 products for all human diseases with primary focus on oncology diseases, excluding dermatological disease or topical formulations.

The basic compound protection for ASLAN003 is provided by the composition of matter family of patents derived from WO2008/077639. As of December 6, 2017, this family of patents included patents issued in Australia, Canada, China, Europe, Hong Kong, Israel, Japan, Mexico, New Zealand, Nigeria, Russia, South Africa, South Korea, Taiwan, and the United States (two patents). In addition, as of December 6, 2017, this family of patents included patent applications filed in Argentina, Bolivia, Chile, Colombia, Ecuador, Egypt, Norway, Pakistan, Peru, Philippines, Singapore, Thailand, Ukraine, Uruguay, Venezuela and Vietnam. The scope of the claims may differ in different countries. The normal expiration of this family of patents is December 2027, subject to the payment of renewal fees.

*Owned by Us*

We are the applicant on published PCT application WO2017/037292 filed September 5, 2016 related to a combination therapy comprising *varlitinib* and ASLAN003. We also have four unpublished Singapore priority patent applications related to specific uses of ASLAN003.

*ASLAN004*

On May 12, 2014, we entered into a license agreement with CSL, pursuant to which we obtained an exclusive, worldwide license to certain patents, know-how and other intellectual property owned or controlled by CSL related to CSL's anti-IL13 receptor monoclonal antibody, CSL334, which we refer to as ASLAN004, and antigen binding fragments thereof.

The basic compound protection for ASLAN004 is provided by a species (specific sequence) composition of matter family of patents is derived from WO2008/060813, filed October 19, 2007. As of December 6, 2017, this

family of patents included patents issued in Australia (two patents), Canada, China, Europe (two patents), Japan (two patents), and the United States (four patents). In addition, as of December 6, 2017, this family of patents included patent applications filed in Hong Kong (two applications). The normal expiration of this family of patents is October 2027, subject to the payment of renewal fees.

The situation for patent term extensions for biological molecules, such as antibodies, may be more complicated than for small molecules, because generally the original legislation was written with reference to small molecules. Having said that, the period of data exclusivity available in the United States may be 12 years.

We have one unpublished Singapore priority patent application filed in the joint names of ASLAN and CSL, related to a specific therapeutic use for ASLAN004. This application is at an early stage of filing and it is not possible to predict what claims may be ultimately granted. We expect that there will opportunities to file new jointly owned patent applications on aspects of the manufacturing process and ASLAN004 formulation.

***Trade Secrets***

In addition to patents, we rely upon unpatented trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. However, trade secrets and know-how can be difficult to protect. We seek to protect our proprietary information, in part, by executing confidentiality agreements with our partners, collaborators, scientific advisors, employees, consultants and other third parties, and invention assignment agreements which are included in the engagement and employment contracts we have with our consultants and employees. The confidentiality agreements we enter into are designed to protect our proprietary information and the agreements or clauses requiring assignment of inventions to us are designed to grant us ownership of technologies that are developed through our relationship with the respective counterparty. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes or that these agreements will afford us adequate protection of our intellectual property and proprietary information rights. If any of the partners, collaborators, scientific advisors, employees and consultants who are parties to these agreements breaches or violates the terms of any of these agreements or otherwise discloses our proprietary information, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets as a result. If we are unable to maintain the confidentiality of our trade secrets, our business and competitive position may be harmed.

***Trademarks and Domain Names***

We conduct our business using the trademark “ASLAN,” “ASLAN PHARMACEUTICALS” and our lion logo, as well as domain names incorporating either or both of these trademarks. “ASLAN PHARMACEUTICALS” has been registered in Singapore. In terms of Chinese character versions of our trademarks, in Taiwan, we have a trade mark registration for: “亞獅康藥品.” In China, we have a registration for “亚狮康私人有限公司.” We have a portfolio of 20 domain names, which includes: aslanpharma.com, aslanpharma.com.sg, aslanpharma.com.tw, aslanpharma.asia, aslanpharma.org, and aslanpharma.biz.

**Government Regulation**

The U.S. FDA and comparable regulatory agencies in state and local jurisdictions and in foreign countries impose substantial requirements upon the clinical development, manufacture and marketing of pharmaceutical
products. These agencies and other federal, state and local entities regulate research and development activities and the testing, manufacture, quality control, safety, effectiveness, labeling, storage, packaging, recordkeeping, tracking, approval, import, export, distribution, advertising and promotion of our products.

***U.S. Government Regulation of Drug Products***

In the United States, the U.S. FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FFDCA, and its implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance

with applicable federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant to a variety of administrative or judicial sanctions, such as the U.S. FDA's refusal to approve pending NDAs, withdrawal of an approval, imposition of a clinical hold, issuance of warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties.

The process required by the U.S. FDA before product candidates may be marketed in the United States generally involves the following:

- nonclinical laboratory and animal tests that must be conducted in accordance with GLP;
- submission of an IND, which must become effective before clinical trials may begin;
- approval by an independent institutional review board, or IRB, for each clinical site or centrally before each trial may be initiated;
- adequate and well-controlled human clinical trials to establish the safety and efficacy of the proposed product candidate for its intended use, performed in accordance with current clinical practices, or cGCP;
- submission to the U.S. FDA of an NDA and payment of user fees;
- satisfactory completion of a U.S. FDA advisory committee review, if applicable;
- pre-approval inspection of manufacturing facilities and selected clinical investigators for their compliance with cGMP, and cGCP;
- satisfactory completion of U.S. FDA audits of clinical trial sites to assure compliance with cGCP and the integrity of the clinical data;
- FDA approval of an NDA to permit commercial marketing for particular indications for use; and
- compliance with any post-approval requirements, including the potential requirement to implement a Risk Evaluation and Mitigation Strategy, or REMS, and the potential requirement to conduct post-approval studies.

The testing and approval process requires substantial time, effort and financial resources. Preclinical studies include laboratory evaluation of drug substance chemistry, pharmacology, toxicity and drug product formulation, as well as animal studies to assess potential safety and efficacy. Prior to commencing the first clinical trial with a product candidate, we must submit the results of the preclinical tests and preclinical literature, together with manufacturing information, analytical data and any available clinical data or literature, among other things, to the U.S. FDA as part of an IND. Some preclinical studies may continue even after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the U.S. FDA, unless the U.S. FDA, within the 30-day time period, raises safety concerns or questions about the conduct of the clinical trial by imposing a clinical hold. In such a case, the IND sponsor and the U.S. FDA must resolve any outstanding concerns before the clinical trial can begin. Submission of an IND may not result in U.S. FDA authorization to commence a clinical trial.

Clinical trials involve the administration of the investigational new drug to human subjects under the supervision of qualified investigators in accordance with cGCP requirements. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development, as well as amendments to previously submitted clinical trials. Further, an independent IRB for each study site proposing to conduct the clinical trial must review and approve the plan for any clinical trial, its informed consent form and other communications to study subjects before the clinical trial commences at that site. The IRB must continue to oversee the clinical trial while it is being conducted, including any changes to the study plans.

Regulatory authorities, an IRB or the sponsor may suspend or discontinue a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk, the clinical trial is not being conducted in accordance with the U.S. FDA's or the IRB's requirements, if the drug has been associated with unexpected serious harm to subjects, or based on evolving business objectives or competitive climate. Some studies also include a data safety monitoring board, which receives special access to unblinded data during the clinical trial and may advise us to halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy.

In general, for purposes of NDA approval, human clinical trials are typically conducted in three sequential phases that may overlap.

- Phase 1—Studies are initially conducted to test the product candidate for safety, dosage tolerance, structure-activity relationships, mechanism of action, absorption, metabolism, distribution and excretion in healthy volunteers or subjects with the target disease or condition. If possible, Phase 1 trials may also be used to gain an initial indication of product effectiveness.
- Phase 2—Controlled studies are conducted with groups of subjects with a specified disease or condition to provide enough data to evaluate the preliminary efficacy, optimal dosages and dosing schedule and expanded evidence of safety. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3—These clinical trials are undertaken in larger subject populations to provide statistically significant evidence of clinical efficacy and to further test for safety in an expanded subject population at multiple clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the product and provide an adequate basis for product labeling. These trials may be done globally to support global registrations so long as the global sites are also representative of the U.S. population and the conduct of the study at global sites comports with U.S. FDA regulations and guidance, such as compliance with cGCP.

The U.S. FDA may require, or companies may pursue, additional clinical trials after a product is approved. These so-called Phase 4 studies may be made a condition to be satisfied after approval. The results of Phase 4 studies can confirm the effectiveness of a product candidate and can provide important safety information.

Clinical trials must be conducted under the supervision of qualified investigators in accordance with cGCP requirements, which includes the requirements that all research subjects provide their informed consent in writing for their participation in any clinical trial, and the review and approval of the study by an IRB. Investigators must also provide information to the clinical trial sponsors to allow the sponsors to make specified financial disclosures to the U.S. FDA. Clinical trials are conducted under protocols detailing, among other things, the objectives of the trial, the trial procedures, the parameters to be used in monitoring safety and the efficacy criteria to be evaluated and a statistical analysis plan. Information about some clinical trials, including a description of the trial and trial results, must be submitted within specific timeframes to the National Institutes of Health, or NIH, for public dissemination on their ClinicalTrials.gov website.

The manufacture of investigational drugs for the conduct of human clinical trials is subject to cGMP requirements. Investigational drugs and active pharmaceutical ingredients imported into the United States are also subject to regulation by the U.S. FDA relating to their labeling and distribution. Further, the export of investigational drug products outside of the United States is subject to regulatory requirements of the receiving country as well as U.S. export requirements under the FFDCA. Progress reports detailing the results of the clinical trials must be submitted at least annually to the U.S. FDA and the IRB and more frequently if Serious Adverse Events, or SAEs, occur.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product candidate as well as

finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

*Orphan Drug Designation*

Under the Orphan Drug Act, the U.S. FDA may designate a drug as an orphan drug if it is intended to treat a rare disease or condition (generally meaning that it affects fewer than 200,000 individuals in the United States, or more in cases in which there is no reasonable expectation that the cost of developing and making a drug available in the United States for treatment of the disease or condition will be recovered from sales of the product). Orphan product designation must be requested before submitting an NDA or Biologics License Application. After the U.S. FDA grants orphan product designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the U.S. FDA. Orphan product designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

If a product with orphan status receives the first U.S. FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan product exclusivity, meaning that the U.S. FDA may not approve any other applications to market the same drug for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan exclusivity or if the party holding the exclusivity fails to assure the availability of sufficient quantities of the drug to meet the needs of patients with the disease or condition for which the drug was designated. Competitors, however, may receive approval of different products for the same indication for which the orphan product has exclusivity or obtain approval for the same product but for a different indication for which the orphan product has exclusivity. Orphan medicinal product status in the European Union has similar, but not identical, benefits. For example, the European Union grants ten years of product exclusivity for orphan medicinal products.

*Special U.S. FDA Expedited Review and Approval Programs*

The U.S. FDA has various programs, including fast track designation, breakthrough therapy designation, accelerated approval, and priority review, which are intended to expedite or simplify the process for the development and U.S. FDA review of drugs that are intended for the treatment of serious or life threatening diseases or conditions and demonstrate the potential to address unmet medical needs. The purpose of these programs is to provide important new drugs to patients earlier than under standard U.S. FDA review procedures.

Under the fast track program, the sponsor of a new drug candidate may request that U.S. FDA designate the drug candidate for a specific indication as a fast track drug concurrent with, or after, the filing of the IND for the drug candidate. To be eligible for a fast track designation, the U.S. FDA must determine, based on the request of a sponsor, that a product is intended to treat a serious or life threatening disease or condition and demonstrates the potential to address an unmet medical need, or that the drug qualifies as a qualified infectious disease product, or QIDP, under the GAIN Act. The U.S. FDA will determine that a product will fill an unmet medical need if it will provide a therapy where none exists or provide a therapy that may be potentially superior to existing therapy based on efficacy or safety factors. Fast track designation provides additional opportunities for interaction with the U.S. FDA's review team and may allow for rolling review of NDA components before the completed application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA, the U.S. FDA agrees to accept sections of the NDA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA. However, U.S. FDA's time period goal for reviewing an application does not begin until the last section of the NDA is submitted. The U.S. FDA may decide to rescind the fast track designation if it determines that the qualifying criteria no longer apply.

In addition, a sponsor can request breakthrough therapy designation for a drug if it is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Drugs designated as breakthrough therapies are eligible for intensive guidance from U.S. FDA on an efficient drug development program, organizational commitment to the development and review of the product including involvement of senior managers, and, like fast track products, are also eligible for rolling review of the NDA. Both fast track and breakthrough therapy products are also eligible for accelerated approval and/or priority review, if relevant criteria are met.

Under the U.S. FDA's accelerated approval regulations, the U.S. FDA may approve a drug for a serious or life threatening illness that provides meaningful therapeutic benefit to patients over existing treatments based upon a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. A drug candidate approved on this basis is subject to rigorous post marketing compliance requirements, including the completion of Phase 4 or post approval clinical trials to confirm the effect on the clinical endpoint. Failure to conduct required post approval studies, or confirm a clinical benefit during post marketing studies, will allow U.S. FDA to withdraw the drug from the market on an expedited basis. All promotional materials for drug candidates approved under accelerated approval regulations are subject to prior review by U.S. FDA.

Once an NDA is submitted for a product intended to treat a serious condition, the U.S. FDA may assign a priority review designation if U.S. FDA determines that the product, if approved, would provide a significant improvement in safety or effectiveness. A priority review means that the goal for the U.S. FDA to review an application is six months, rather than the standard review of ten months under current Prescription Drug User Fee Act, or PDUFA, guidelines. Under the current PDUFA agreement, these six and ten month review periods are measured from the 60-day filing date rather than the receipt date for NDAs for new molecular entities, which typically adds approximately two months to the timeline for review from the date of submission. Most products that are eligible for fast track breakthrough therapy designation are also likely to be considered appropriate to receive a priority review.

Even if a product qualifies for one or more of these programs, the U.S. FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for U.S. FDA review or approval will not be shortened. In addition, the manufacturer of an investigational drug for a serious or life threatening disease is required to make available, such as by posting on its website, its policy on responding to requests for expanded access. Furthermore, fast track designation, breakthrough therapy designation, accelerated approval and priority review do not change the standards for approval and may not ultimately expedite the development or approval process.

*NDA Submission and Review by the U.S. FDA*

Assuming successful completion of the required clinical and preclinical testing, among other items, the results of product development, including chemistry, manufacture and controls, nonclinical studies and clinical trials are submitted to the U.S. FDA, along with proposed labeling, as part of an U.S. NDA. The submission of an NDA requires payment of a substantial user fee to the U.S. FDA. These user fees must be filed at the time of the first submission of the application, even if the application is being submitted on a rolling basis. Fee waivers or reductions are available in some circumstances. One basis for a waiver of the application user fee is if the applicant employs fewer than 500 employees, including employees of affiliates, the applicant does not have an approved marketing application for a product that has been introduced or delivered for introduction into interstate commerce, and the applicant, including its affiliates, is submitting its first marketing application.

In addition, under the Pediatric Research Equity Act, or PREA, an NDA or supplement to an NDA for a new active ingredient, indication, dosage form, dosage regimen or route of administration must contain data that are adequate to assess the safety and efficacy of the drug for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective.

The U.S. FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all pediatric data until after approval of the product for use in adults or full or partial waivers from the pediatric data requirements.

The U.S. FDA must refer applications for drugs that contain active ingredients, including any ester or salt of the active ingredients, which have not previously been approved by the U.S. FDA to an advisory committee or provide in an action letter a summary of the reasons for not referring it to an advisory committee. The U.S. FDA may also refer drugs which present difficult questions of safety, purity or potency to an advisory committee. An advisory committee is typically a panel that includes clinicians and other experts who review, evaluate and make a recommendation as to whether the application should be approved and under what conditions. The U.S. FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

The U.S. FDA reviews applications to determine, among other things, whether a product is safe and effective for its intended use and whether the manufacturing controls are adequate to assure and preserve the product's identity, strength, quality and purity. Before approving an NDA, the U.S. FDA will inspect the facility or facilities where the product is manufactured. The U.S. FDA will not approve an application unless it determines that the manufacturing processes and facilities, including contract manufacturers and subcontracts, are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the U.S. FDA will typically inspect one or more clinical trial sites to assure compliance with cGCP.

Once the U.S. FDA receives an application, it has 60 days to review the NDA to determine if it is substantially complete to permit a substantive review, before it accepts the application for filing. Once the submission is accepted for filing, the U.S. FDA begins an in-depth review of the NDA. The U.S. FDA's NDA review times may differ based on whether the application is a standard review or priority review application. The U.S. FDA may give a priority review designation to drugs that are intended to treat serious conditions and provide significant improvements in the safety or effectiveness of the treatment, diagnosis, or prevention of serious conditions. Under the goals and policies agreed to by the U.S. FDA under the PDUFA, the U.S. FDA has set the review goal of 10 months from the 60-day filing date to complete its initial review of a standard NDA for a new molecular entity, or NME, and make a decision on the application. For non-NME standard applications, the U.S. FDA has set the review goal of 10 months from the submission date to complete its initial review and to make a decision on the application. For priority review applications, the U.S. FDA has set the review goal of reviewing NME NDAs within six months of the 60-day filing date and non-NME applications within six months of the submission date. Such deadlines are referred to as the PDUFA date. The PDUFA date is only a goal and the U.S. FDA does not always meet its PDUFA dates. The review process and the PDUFA date may also be extended if the U.S. FDA requests or the NDA sponsor otherwise provides additional information or clarification regarding the submission.

Once the U.S. FDA's review of the application is complete, the U.S. FDA will issue either a Complete Response Letter, or CRL, or approval letter. A CRL indicates that the review cycle of the application is complete and the application is not ready for approval. A CRL generally contains a statement of specific conditions that must be met in order to secure final approval of the NDA and may require additional clinical or preclinical testing, or other information or analyses in order for the U.S. FDA to reconsider the application. The U.S. FDA has the goal of reviewing 90% of application resubmissions in either two or six months of the resubmission date, depending on the kind of resubmission. Even with the submission of additional information, the U.S. FDA ultimately may

decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the U.S. FDA's satisfaction, the U.S. FDA may issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

The U.S. FDA may delay or refuse approval of an NDA if applicable regulatory criteria are not satisfied, require additional testing or information and/or require post-marketing testing and surveillance to monitor safety or efficacy of a product, or impose other conditions, including distribution restrictions or other risk management mechanisms. For example, the U.S. FDA may require a REMS as a condition of approval or following approval to mitigate any identified or suspected serious risks and ensure safe use of the drug. The U.S. FDA may prevent or limit further marketing of a product, or impose additional post-marketing requirements, based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further testing requirements, U.S. FDA notification and U.S. FDA review and approval. Further, should new safety information arise, additional testing, product labeling or U.S. FDA notification may be required.

If regulatory approval of a product is granted, such approval may entail limitations on the indicated uses for which such product may be marketed or may include contraindications, warnings or precautions in the product labeling, which has resulted in a Black Box warning. The U.S. FDA also may not approve the inclusion of labeling claims necessary for successful marketing. Once approved, the U.S. FDA may withdraw the product approval if compliance with pre- and post-marketing regulatory standards is not maintained or if problems occur after the product reaches the marketplace. In addition, the U.S. FDA may require Phase 4 post-marketing studies to monitor the effect of approved products, and may limit further marketing of the product based on the results of these post-marketing studies.

*Post-Approval Requirements*

Any products manufactured or distributed by us pursuant to U.S. FDA approvals are subject to continuing regulation by the U.S. FDA, including manufacturing, periodic reporting, product sampling and distribution, advertising, promotion, drug shortage reporting, compliance with any post-approval requirements imposed as a conditional of approval such as Phase 4 clinical trials, REMS and surveillance, recordkeeping and reporting requirements, including adverse experiences.

After approval, most changes to the approved product, such as adding new indications or other labeling claims are subject to prior U.S. FDA review and approval. There also are continuing, annual user fee requirements for any approved products and the establishments at which such products are manufactured, as well as new application fees for supplemental applications with clinical data. Drug manufacturers and their subcontractors are required to register their establishments with the U.S. FDA and certain state agencies and to list their drug products, and are subject to periodic announced and unannounced inspections by the U.S. FDA and these state agencies for compliance with cGMP and other requirements, which impose procedural and documentation requirements upon us and our third-party manufacturers.

Changes to the manufacturing process are strictly regulated and often require prior U.S. FDA approval before being implemented, or U.S. FDA notification. U.S. FDA regulations also require investigation and correction of any deviations from cGMP and specifications, and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance.

Later discovery of previously unknown problems with a product, including AEs of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in withdrawal of marketing approval, mandatory revisions to the approved labeling to add new safety information or other limitations, imposition of post-market studies or clinical trials to assess new safety risks, or imposition of distribution or other restrictions under a REMS program, among other consequences.

The U.S. FDA closely regulates the marketing and promotion of drugs. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the U.S. FDA. Physicians, in their independent professional medical judgement, may prescribe legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the U.S. FDA. We, however, are prohibited from marketing or promoting drugs for uses outside of the approved labeling.

In addition, the distribution of prescription pharmaceutical products, including samples, is subject to the Prescription Drug Marketing Act, or PDMA, which regulates the distribution of drugs and drug samples at the federal level, and sets minimum standards for the registration and regulation of drug distributors by the states. Both the PDMA and state laws limit the distribution of prescription pharmaceutical product samples and impose requirements to ensure accountability in distribution. The Drug Supply Chain Security Act also imposes obligations on manufacturers of pharmaceutical products related to product and tracking and tracing.

Failure to comply with any of the U.S. FDA's requirements could result in significant adverse enforcement actions. These include a variety of administrative or judicial sanctions, such as refusal to approve pending applications, license suspension or revocation, withdrawal of an approval, imposition of a clinical hold or termination of clinical trials, warning letters, untitled letters, cyber letters, modification of promotional materials or labeling, product recalls, product seizures or detentions, refusal to allow imports or exports, total or partial suspension of production or distribution, debarment, injunctions, fines, consent decrees, corporate integrity agreements, refusals of government contracts and new orders under existing contracts, exclusion from participation in federal and state healthcare programs, restitution, disgorgement or civil or criminal penalties, including fines and imprisonment. It is also possible that failure to comply with the U.S. FDA's requirements relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state healthcare fraud and abuse and other laws, as well as state consumer protection laws. Any of these sanctions could result in adverse publicity, among other adverse consequences.

*Other U.S. Healthcare Laws and Regulations*

Healthcare providers, physicians and third-party payors play a primary role in the recommendation and use of medical products and drug formulations that are granted marketing approval. Arrangements with third-party payors, existing or potential customers and referral sources, including healthcare providers, are subject to broadly applicable fraud and abuse and other healthcare laws and regulations, and these laws and regulations may constrain the business or financial arrangements and relationships through which manufacturers conduct clinical research, market, sell and distribute the products for which they obtain marketing approval. Such restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in cash or kind, in exchange for, or to induce, either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers, on the one hand, and prescribers, purchasers and formulary managers on the other hand. The Patient Protection and Affordable Care Act, or PPACA, amended the intent requirement of the federal Anti-Kickback Statute. A person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it in order to commit a violation. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution;
- the federal false claims and civil monetary penalties laws, including the civil False Claims Act, or FCA, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid or other third-party payors that are false or fraudulent, or making a false statement to avoid, decrease, or conceal an obligation to pay money to the federal government. As a result of a modification made by the Fraud Enforcement and Recovery

Act of 2009, a claim includes "any request or demand" for money or property presented to the U.S. government. In addition, manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. The FCA also permits a private individual acting as a "whistleblower" to bring actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery. Government enforcement agencies and private whistleblowers have investigated pharmaceutical companies for or asserted liability under the FCA for a variety of alleged promotional and marketing activities, such as providing free product to customers with the expectation that the customers would bill federal programs for the product; providing consulting fees and other benefits to physicians to induce them to prescribe products; engaging in promotion for "off-label" uses; and submitting inflated best price information to the Medicaid Rebate Program. In addition, the PPACA codified case law that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA.

- The Health Insurance Portability and Accountability Act of 1996, or HIPAA, prohibits, among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services;
- the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to report annually to the Centers for Medicare & Medicaid Services, or CMS, information related to payments and other transfers of value to physicians, certain other healthcare providers and teaching hospitals, and ownership and investment interests held by physicians and other healthcare providers and their immediate family members;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and their respective implementing regulations, imposes, among other things, specified requirements relating to the security, privacy and transmission of individually identifiable health information held by entities subject to HIPAA, such as health plans, health care clearinghouses and healthcare providers, and their respective business associates that access protected health information. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in U.S. federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions; and
- state and foreign law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that certain business activities can be subject to challenge under one or more of such laws. In addition, recent health care reform legislation has strengthened these laws.

Violation of the laws described above or any other governmental laws and regulations may result in penalties, including civil and criminal penalties, damages, fines, the curtailment or restructuring of operations, the exclusion from participation in federal and state healthcare programs, disgorgement, contractual damages, reputational harm, diminished profits and future earnings, individual imprisonment, and additional reporting requirements and oversight if a manufacturer becomes subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws. Furthermore, efforts to ensure that business activities and business arrangements comply with applicable healthcare laws and regulations can be costly for manufacturers of branded prescription products.

*Coverage and Reimbursement*

Significant uncertainty exists as to the coverage and reimbursement status of any products, for which we may obtain regulatory approval, and the procedures utilizing such products. In the United States, sales of any product candidates for which regulatory approval for commercial sale is obtained will depend in part on the availability of coverage and adequate reimbursement from third-party payors for the approved products, and procedures which utilize such products. Third-party payors include government authorities and health programs in the United States such as Medicare and Medicaid, managed care providers, private health insurers and other organizations. These third-party payors are increasingly reducing reimbursements for medical products and services. The process for determining whether a payor will provide coverage for a product, or procedures which utilizes such product, may be separate from the process for setting the reimbursement rate that the payor will pay for the product, or procedures which utilize such product. Third-party payors may limit coverage to specific products on an approved list, or formulary, which might not include all of U.S. FDA-approved products for a particular indication.

Additionally, the containment of healthcare costs has become a priority of federal and state governments. The U.S. government, state legislatures and foreign governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on coverage and reimbursement and requirements for substitution of less expensive products and procedures. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit our net revenue and results.

A payor's decision to provide coverage for a product, or procedures which utilize such product, does not imply that an adequate reimbursement rate will be approved. Further, coverage and reimbursement for products, and procedure which utilize such products, can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

Third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. In order to obtain coverage and reimbursement for any product that might be approved for sale, or any procedure which utilizes such product, it may be necessary to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the products, and procedures which utilize such products, in addition to the costs required to obtain regulatory approvals. If third-party payors do not consider a product, or procedures which utilize such product, to be cost-effective compared to other available therapies, they may not cover the product, or procedures which utilize such product, after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit.

The marketability of any product candidates for which we or our collaborators receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement for the product, or any procedure which utilizes such product. In addition, emphasis on managed care in the United States has increased and we expect will continue to increase the pressure on medical products

and services pricing. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we or our collaborators receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

In the European Union, pricing and reimbursement schemes vary widely from country to country. Some countries provide that products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of a particular product candidate to currently available therapies. European Union Member States may approve a specific price for a product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the product on the market. Other member states allow companies to fix their own prices for products, but monitor and control company profits. The downward pressure on health care costs has become intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross-border imports from low-priced markets exert competitive pressure that may reduce pricing within a country. Any country that has price controls or reimbursement limitations may not allow favorable reimbursement and pricing arrangements.

*Health Reform*

The United States and some foreign jurisdictions are considering or have enacted a number of reform proposals to change the healthcare system. There is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality or expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by federal and state legislative initiatives, including those designed to limit the pricing, coverage, and reimbursement of pharmaceutical and biopharmaceutical products as well as the procedures which utilize such products, especially under government-funded health care programs, and increased governmental control of health care costs.

By way of example, in March 2010, the PPACA was signed into law, which is intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add transparency requirements for the healthcare and health insurance industries, impose taxes and fees on the healthcare industry and impose additional health policy reforms. Among the provisions of the PPACA of importance to our business are:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13.0% of the average manufacturer price for branded and generic drugs, respectively;
- a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer’s Medicaid rebate liability;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Since its enactment, there have been judicial and Congressional challenges to certain aspects of the PPACA, as well as recent efforts by the Trump administration to repeal or replace certain aspects of the PPACA. Since

January 2017, President Trump has signed two Executive Orders designed to delay the implementation of certain provisions of the PPACA or otherwise circumvent some of the requirements for health insurance mandated by the PPACA. The Trump administration has also announced that it will discontinue the payment of cost-sharing reduction, or CSR, payments to insurance companies until Congress approves the appropriation of funds for the CSR payments. The loss of the CSR payments is expected to increase premiums on certain policies issued by qualified health plans under the PPACA. A bipartisan bill to appropriate funds for CSR payments has been introduced in the Senate, but the future of that bill is uncertain. In addition, CMS has recently proposed regulations that would give states greater flexibility in setting benchmarks for insurers in the individual and small group marketplaces, which may have the effect of relaxing the essential health benefits required under the PPACA for plans sold through such marketplaces. Further, each chamber of Congress has put forth multiple bills this year designed to repeal or repeal and replace portions of the PPACA. Although none of these measures have been enacted by Congress to date, Congress may consider other legislation to repeal and replace elements of the PPACA.

Other legislative changes have been proposed and adopted in the United States since the PPACA was enacted. For example, in August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by U.S. Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2012 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 2013 and will remain in effect through 2025 unless additional Congressional action is taken. In January 2013, the American Taxpayer Relief Act of 2012, among other things, further reduced Medicare payments to certain providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. Additionally, there have been several recent Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs.

We expect that these initiatives, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and lower reimbursement, and in additional downward pressure on the price that we receive for any approved product, or any procedure which may utilize such product. Any reduction in reimbursement from Medicare or other government-funded programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our product candidates.

*Additional Regulation*

In addition to the foregoing, state and federal laws regarding environmental protection and hazardous substances, including the Occupational Safety and Health Act, the Resource Conservation and Recovery Act and the Toxic Substances Control Act, affect our business. These and other laws govern the use, handling and disposal of various biologic, chemical and radioactive substances used in, and wastes generated by, operations. If our operations result in contamination of the environment or expose individuals to hazardous substances, we could be liable for damages and governmental fines. Equivalent laws have been adopted in other countries that impose similar obligations.

***U.S. Foreign Corrupt Practices Act***

The U.S. Foreign Corrupt Practices Act of 1977, as amended, or FCPA, prohibits corporations and individuals from engaging in certain activities to obtain or retain business or secure any improper advantage, or to influence a person working in an official capacity. It is illegal to pay, offer to pay or authorize the payment of anything of value to any employee or official of a foreign government or public international organization, or political party,

political party official, or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The scope of the FCPA also includes employees and official of state-owned or controlled enterprises, which may include healthcare professionals in many countries. Equivalent laws have been adopted in other foreign countries that impose similar obligations.

***China Government Regulation of Drug Products***

In China, we operate in an increasingly complex legal and regulatory environment. We are subject to a variety of Chinese laws, rules and regulations affecting many aspects of our business. This section summarizes the principal Chinese laws, rules and regulations relevant to our business and operations.

*Foreign Investment in the Pharmaceutical Industry*

Investment activities in China by foreign investors are principally governed by the Guidance Catalogue of Industries for Foreign Investment, or the Catalogue, which was promulgated and is amended from time to time by the Ministry of Commerce, or MOFCOM, and the National Development and Reform Commission, or NRDC. Pursuant to the latest Catalogue, amended and issued on June 28, 2017 and effective on July 28, 2017, or the 2017 Catalogue, industries listed therein are divided into two categories: encouraged industries and the industries within the catalogue of special management measures, or the Negative List. The Negative List is further divided into two sub-categories: restricted industries and prohibited industries. Establishment of wholly foreign-owned enterprises is generally allowed in industries outside of the Negative List. For the restricted industries within the Negative List, some are limited to equity or contractual joint ventures, while in some cases Chinese partners are required to hold the majority interests in such joint ventures. In addition, restricted category projects are subject to government approvals and certain special requirements. Foreign investors are not allowed to invest in industries in the prohibited category. Industries not listed in the Catalogue are generally open to foreign investment unless specifically restricted by other People's Republic of China, or PRC, regulations. Pursuant to the 2017 Catalogue, the manufacture of pharmaceutical products mostly falls in the encouraged industries for foreign investments.

Under Chinese law, the establishment of a wholly foreign-owned enterprise is subject to the approval of, or the requirement for record filing with, MOFCOM or its local counterparts and the wholly foreign owned enterprise must register with the competent administrative bureau of industry and commerce. We have completed the record filing with MOFCOM or its local counterparts for our interest in our wholly-owned PRC subsidiary and completed the registration of our PRC subsidiary with the competent administrative bureau of industry and commerce.

In October 2016, MOFCOM issued the Interim Measures for Record-filing Administration of the Establishment and Change of Foreign-invested Enterprises, or FIE Record-filing Interim Measures. Pursuant to FIE Record-filing Interim Measures, the establishment and change of foreign-invested enterprises are subject to record-filing procedures, instead of prior approval requirements, provided that the establishment or change does not involve special entry administrative measures. If the establishment or change of FIE matters involve the special entry administrative measures, the approval of MOFCOM or its local counterparts is still required. Pursuant to the Announcement 2016 No. 22 of the National Development and Reform Commission and MOFCOM dated October 8, 2016, the special entry administrative measures for foreign investment apply to restricted and prohibited categories specified in the Catalogue, and the encouraged categories are subject to certain requirements relating to equity ownership and senior management under the special entry administrative measures.

*General Regulations of the CFDA*

In China, the CFDA monitors and supervises the administration of pharmaceutical products, as well as medical devices and equipment. The CFDA's primary responsibility includes evaluating, registering and approving new

drugs, generic drugs, imported drugs and traditional Chinese medicines; approving and issuing permits for the manufacture, export and import of pharmaceutical products and medical appliances; approving the establishment of enterprises for pharmaceutical manufacture and distribution; formulating administrative rules and policies concerning the supervision and administration of food, cosmetics and pharmaceuticals; and handling significant accidents involving these products. Local provincial drug administrative authorities are responsible for supervision and administration of drugs within their respective administrative regions.

The Drug Administration Law of China promulgated by the Standing Committee of the National People's Congress in 1984 and the Implementing Measures of the Drug Administration Law of China promulgated by the Ministry of Health, or MOH in 1989 set forth the legal framework for the administration of pharmaceutical products, including the research, development and manufacturing of drugs.

The Drug Administration Law of China went through several revisions and was last revised in April 2015. The purpose of the revisions was to strengthen the supervision and administration of pharmaceutical products and to ensure the quality and safety of those products for human use. The Drug Administration Law of China regulates and prescribes a framework for the administration of pharmaceutical preparations of medical institutions and for the development, research, manufacturing, distribution, packaging, pricing and advertisement of pharmaceutical products. The Implementing Measures of the Drug Administration Law of China promulgated by the State Council and most recently revised in February 2016 provide detailed implementing regulations for the revised Drug Administration Law of China.

*Approval for Clinical Trials and Production of New Drugs*

According to the Provisions for Drug Registration promulgated by the CFDA in 2007, the Drug Administration Law of China, the Provisions on the Administration of Special Examination and Approval of Registration of New Drugs, the Special Examination and Approval Provisions issued by the CFDA in 2009, and the Circular on Information Publish Platform for Pharmaceutical Clinical Trials issued by the CFDA in 2013, we must comply with the following procedures and obtain several approvals for clinical trials and production of new drugs.

*New Drug Application*

When clinical trials have been completed, an applicant shall apply to the CFDA for approval of a new drug application. The CFDA, the Center for Drug Evaluation, or the CDE, and the Drug Inspection Institution will conduct reviews and on-site inspections. The CFDA determines whether to approve the application according to the comprehensive evaluation opinions produced by the reviews and on-site inspections. We must obtain approval of our new drug applications before our drugs can be manufactured and sold in the Chinese market.

According to the Provisions for Drug Registration, drug registration applications are divided into three different types, namely Domestic New Drug Application, Domestic Generic Drug Application, and Imported Drug Application.

*Drug Registration Classification*

In March 2016, the CFDA promulgated the Work Plan for Reforming the Chemical Medicines Registration Classification System, under which, the registrations of chemical medicines are divided into five categories as follows:

- Category 1: Innovative drugs that are not marketed anywhere in the world. These drugs contain new compounds with clear structures and pharmacological effects and they have clinical value.
- Category 2: Modified new drugs that are not marketed anywhere in the world. With known active components, the drug's structure, phase, prescription manufacturing process, administration route and indication are optimized and it has obvious clinical advantage.

- Category 3: Generic drugs, that have equivalent quality and efficacy to the originator's drugs have been marketed abroad, but not yet in China.
- Category 4: Generic drugs, that have equivalent quality and efficacy to the originator's drugs and have been marketed in China.
- Category 5: Drugs that have been marketed abroad are applied to be marketed domestically in China.

The registration of Category 1 or Category 2 drugs above will be subject to the requirements of the Domestic New Drug Application, Category 3 or Category 4 drugs will be subject to the Domestic Generic Drug Application, and Category 5 drugs will be subject to the Imported Drug Application.

*Special Examination and Approval Procedures for Innovative Drugs*

According to the Special Examination and Approval Provisions, the CFDA will conduct special examination and approval for new drugs registration application when:

(1) the effective constituent of drug extracted from plants, animals, minerals, etc. as well as the preparations thereof have never been marketed in China, and the material medicines and the preparations thereof are newly discovered;

(2) the chemical raw material medicines as well as the preparations and biological products thereof haven't been approved for marketing home and abroad;

(3) the new drugs are for treating AIDS, malignant tumors and rare diseases, etc., and have obvious advantages in clinic treatment; or

(4) the new drugs are for treating diseases with no effective methods of treatment.

The Special Examination and Approval Provisions provide that the applicant may file for special examination and approval at the stage of Clinical Trial Application if the drug candidate falls within items (1) or (2). For drug candidates that fall within items (3) or (4), the application for special examination and approval must be made when filing for production.

In addition, under the Special Examination and Approval Provisions, where a special examination and approval treatment is granted, the application for clinical trial and manufacturing will be handled with priority and with enhanced communication with the CDE of the CFDA, which will establish a working mechanism for communicating with the applicants. If it becomes necessary to revise the clinical trial scheme or make other major alterations during the clinical trial, the applicant may file an application for communication. When an application for communication is approved, the CDE will arrange the communication with the applicant within one month.

We believe that certain of our products fall within items (2) and (3) above. Therefore, we may file an application for special examination and approval at the Clinical Trial Application stage, which may enable us to pursue a more expedited path to approval in China and bring therapies to patients more quickly.

*Reform of the Review and Approval Process for Drug Registration*

In order to address a number of issues relating to the current drug registration system, in particular, long registration time, significant application backlog, low-quality drug application clinical data, and a difficult registration system for innovative drugs, the State Council and the CFDA have issued and implemented a numbers of opinions and orders.

In November 2015, the CFDA released the Circular Concerning Several Policies on Drug Registration Review and Approval, which further clarified the following policies potentially simplifying and accelerating the approval process of clinical trials:

- A one-time umbrella approval procedure allowing approval of all phases of a new drug's clinical trials at once, rather than the current phase-by-phase approval procedure, will be adopted for new drugs' clinical trial applications.
- A fast track drug registration or clinical trial approval pathway will be available for the following applications: (i) registration of innovative new drugs treating HIV, cancer, serious infectious diseases and orphan diseases; (ii) registration of pediatric drugs; (iii) registration of geriatric drugs and drugs treating China-prevalent diseases; (iv) registration of drugs sponsored by national science and technology grants; (v) registration of innovative drugs using advanced technology, using innovative treatment methods, or having distinctive clinical benefits; (vi) registration of foreign innovative drugs to be manufactured locally in China; (vii) concurrent applications for new drug clinical trials which are already approved in the U.S. or European Union, or concurrent drug registration applications for drugs which have applied for marketing authorization and passed onsite inspections in the U.S. or European Union and are manufactured using the same production line in China; and (viii) clinical trial applications for drugs with urgent clinical need and patent expiry within three years, and marketing authorization applications for drugs with urgent clinical need and patent expiry within one year.

In February 2016, the CFDA published the Opinions on Implementing a Prioritized Review System to Avoid Drug Review Backlogs, which introduces a prioritized review and approval pathway to clinical trial applications and registration applications of certain drugs as part of CFDA's ongoing reform of its current drug review and approval system.

In March 2016, the CFDA issued the Interim Provisions on the Procedures for Drug Clinical Trial Data Verification that provides procedural rules for CFDA's on-site verification of clinical data before drug approvals.

*Recent Regulatory Changes for Foreign New Drugs*

Recent regulatory developments in late 2017 have evolved new drug applications for foreign new drugs in China. According to the Decision on Adjusting Relevant Matters Concerning the Administration of Imported Drug Registration issued by CFDA on October 10, 2017, for foreign new drugs that have never been marketed both domestically in China and abroad that fall into Category 1 and Category 2 drugs, an application for clinical trials and new drug registration may be submitted directly to the CFDA without a market approval issued in their home countries. Whereas in the past, overseas applicants had to wait until the new drug was first approved in an overseas country before it could file for new drug registration in China. Second, for those new drugs that have applied to conduct a Multi-Regional Clinical Trial, or MRCT, in China, Phase 1 clinical trials as required by CFDA may be conducted concurrently. Whereas in the past, MRCTs conducted in China could only be conducted after the drugs had obtained a market approval or passed Phase 2 or Phase 3 in an overseas country. Third, after such MRCTs have been completed in China, a new drug application may be submitted to the CFDA directly for their review with no additional waiver of local clinical trial requirements is required. This may effectively shorten the registration period for Category 5 new drugs in China.

According to the Opinions on Deepening the Reform of the Evaluation and Approval System and Inspiring Innovation of Drugs and Medical Devices issued by the State Council on October 9, 2017, the clinical trial data obtained from foreign clinical trial institutions may be acceptable if they meet the relevant requirements in new drug applications in China, for which the supplement of clinical trial data on racial difference may be necessary. However, the relevant implementation guidelines have not been issued by the CFDA.

Last, the pilot marketing authorization holders system will be implemented in the full national wide, where drug research and development institutions may obtain and hold the marketing authorization and have the ability to outsource manufacturing and distribution to third parties.

*Good Manufacturing Practice*

All facilities and techniques used in the manufacture of products for clinical use or for sale in China must be operated in conformity with good manufacturing practice guidelines as established by the CFDA. Failure to comply with applicable requirements could result in the termination of manufacturing and significant fines.

**Employees**

As of September 30, 2017, we have 51 full-time employees. Of these, 24 are engaged in full-time research and development and 27 are engaged in full-time general and administrative functions. By geography, 29 of our employees are located in Singapore, 19 are located in Taiwan, and three are located in China.

We have also engaged and may continue to engage independent contractors to assist us with our operations. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have never experienced any employment related work stoppages, and we consider our relations with our employees to be good.

**Facilities**

Our corporate headquarters are located in Singapore, where we occupy approximately 4,500 square feet of office space, the lease for which expires in 2019. We also have offices in Taipei, Taiwan, and Shanghai, China. We lease all of our facilities and believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available on commercially reasonable terms to accommodate any such expansion of our operations.

**Legal Proceedings**

From time to time, we may be involved in legal proceedings or be subject to claims arising out of our operations. We are not currently a party to any legal proceedings that in the opinion of our management, would have a material adverse effect on our business.

# MANAGEMENT

## Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors, including their ages, as of December 20, 2017.

| Name | Age | Position(s) |
|---|---|---|
| ***Executive Officers:*** | | |
| Carl Firth, Ph.D. | 44 | Chief Executive Officer and Chairman |
| Bertil Lindmark, Ph.D., M.D. | 62 | Chief Medical Officer |
| Mark McHale, Ph.D. | 52 | Chief Operating Officer |
| Jeff Tomlinson | 54 | Chief Business Officer |
| Ben Goodger | 55 | General Counsel |
| Kiran Asarpota | 39 | Vice President of Finance |
| ***Non-Executive Directors:*** | | |
| Abel Ang (representing Advanced Materials Technologies Pte Ltd.) | 44 | Director |
| Jun Wu, Ph.D. (representing Alnair Investment) | 51 | Director |
| Lim Chin Hwee Damien (representing BV Healthcare II Pte Ltd.) | 55 | Director |
| Jerome Shen, Ph.D. | 53 | Director |
| Andrew Howden | 58 | Director |
| Kelvin Sun | 55 | Director |
| Mei-Shu Lai, Ph.D., M.D. | 68 | Director |

### *Executive Officers*

*Carl Firth, Ph.D.* Dr. Firth founded our company in 2010 and has served as our Chairman of the board of directors since June 2014, as our Chief Executive Officer since January 2011 and as a director since July 2010. Prior to founding our company, Dr. Firth was Head of Asia Healthcare at Bank of America Merrill Lynch, supporting public and private financing of healthcare companies and advising on M&A transactions, from January 2008 to June 2010. Prior to joining the banking industry, Dr. Firth worked for AstraZeneca from October 1998 to December 2007 in various commercial and R&D roles, including Regional Business Development Director, Asia Pacific, and Director of New Product Development, China. Dr. Firth is currently a member of Singapore's Health and Biomedical Sciences International Advisory Council, where he has served in such capacity since September 2017, and an independent director at Singapore's Exploit Technologies, a commercialization arm of A*STAR, which supports A*STAR in its efforts to transform the economy by driving innovation and commercializing its research outcomes, where he has served in such capacity since April 2014. Prior, Dr. Firth was an independent director of Hong Kong listed Uni-Bio Sciences, a leading Chinese biopharmaceutical company engaged in the research, development, production and commercialization of biopharmaceuticals for the Chinese healthcare market, where he served in such capacity from April 2014 to November 2017. Dr. Firth is an Adjunct Professor at Duke-NUS Medical School, a position he has held since June 2014. He holds a Ph.D. in Molecular Biology from Cambridge University (Trinity College), an Executive M.B.A. from London Business School, and a B.A. in Molecular Biology from Cambridge University.

*Bertil Lindmark, Ph.D., M.D.* Dr. Lindmark has served as our Chief Medical Officer since March 2015. Prior to joining us, Dr. Lindmark was the Executive Director of Research and Development and a Member of the Board of Directors at Almirall S.A., a public European pharmaceutical company, from January 2011 to January 2015. Prior to his position at Almirall S.A., Dr. Lindmark was Vice President at AstraZeneca, leading global clinical development in Respiratory and Inflammation, from February 1991 to December 2009. He also served as Vice

President and Head of Clinical Development at AstraZeneca, Japan R&D, from October 2009 to December 2010. Dr. Lindmark holds an M.D. and Ph.D. in Molecular Epidemiology from the University of Lund, and specialist qualifications in Internal Medicine and Gastroenterology.

*Mark McHale, Ph.D.* Dr. McHale helped found our company in 2010 and has served as our Chief Operating Officer since February 2011. Prior to joining us, Dr. McHale was the Head of Molecular Sciences at AstraZeneca, Respiratory & Inflammation, from 1997 to 2010. Dr. McHale was a core member of the respiratory strategy research team for half a decade where he led all new target identifications in asthma. Dr. McHale also previously worked from 1991 to 1997 at SmithKline Beecham (now GlaxoSmithKline Plc.), where he supported lead optimization projects in serotonin and dopamine receptors. Dr. McHale has a Ph.D. in Molecular Biology from the University of East Anglia in the United Kingdom, and a B.S. in Genetics and Molecular Biology from the University of London.

*Jeff Tomlinson.* Mr. Tomlinson helped found our company in 2010 and has served as our Chief Business Officer since January 2011. Prior to joining us, Mr. Tomlinson held multiple senior business development roles including Chief Business Officer at Active Pass Pharmaceuticals Inc., a private pharmaceutical company, from 2004 to 2005, Senior Vice President of Business Development at Pharmacopaie Biosciences, a pharmaceutical company, from 2003 to 2004, and Director of Business Development for GeneLogic Inc., a private integrated genomics company, from 1999 to 2001. Mr. Tomlinson previously served as Principal Investigator at GlaxoSmithKline Plc. (UK and US) from 1994 to 1999 within international research project management and technical sales. Mr. Tomlinson was also previously a Managing Partner and Founder of Big Wonder Inc., where he served in such capacity from 2005 to 2010, and Vice President, Investment at GrowthWorks Capital, a venture capital management firm, where he served in such capacity from 2001 to 2003. Mr. Tomlinson holds a B.S. from the University of Western Ontario.

*Ben Goodger.* Mr. Goodger has served as our General Counsel since November 2016. Prior to joining us, Mr. Goodger was the Partner and Head of Intellectual Property (IP) Licensing and Transactions with Osborne Clarke in the United Kingdom, a multinational law firm, from November 2014 to October 2016. Mr. Goodger also previously served as Partner, Head of IP Commercialization, at Edwards Wildman in the United Kingdom, a multinational law firm, from November 2010 to October 2014, as Executive, Head of IP Commercial, at Rouse & Co. International in London, Oxford, and Shanghai, a multinational law firm, from December 1997 to October 2010, and as the President of Licensing Executives Society, a not for profit, non-political, umbrella organization, from 1998 to 1999. Mr. Goodger received his M.A. in English Literature & Language from Oxford University (Exhibitioner, Keble College) and he is a Solicitor of England & Wales, enrolled October 1986.

*Kiran Asarpota*. Mr. Asarpota has served as our Vice President of Finance since November 2010. Prior to joining us, Mr. Asarpota was Group Finance Director at Global Brands Group Holding Limited, a public branded apparel company, from 2006 to 2010, where he was responsible for the group's corporate and commercial finance functions. Mr. Asarpota received his M.B.A. from London South Bank University in the United Kingdom, and a B.B.M. from Oxford Brookes.

***Non-Executive Directors***

*Abel Ang.* Mr. Ang has served as a member of our board of directors and representative for Advanced Materials Technologies Pte. Ltd. since April 2016. Mr. Ang currently serves as the Chief Operating Officer of Accuron Technologies Ltd., a precision engineering and technology company, and the acting Chief Executive Officer of Dornier MedTech Group, a urological medical equipment manufacturer, positions he has held since July 2014. He currently serves as a director of the Board of Economic Development Innovations Singapore Pte. Ltd., a privately-owned international economic development company, a position he has held since March 2013, as an independent director of Exploit Technologies Pte. Ltd., the technology transfer arm of the Agency for Science, Technology and Research in Singapore, a position he has held since October 2012, and as a director of Advanced Materials Technologies Pte Ltd, a position he has held since July 2014. Mr. Ang served as the Senior Advisor to

the CEO of Greatbatch Inc., providing guidance relative to the commercialization of medical device technologies in the cardiac, neurology, vascular and orthopedic markets, from 2006 to 2009. He has also held executive positions at Hill-Rom Inc., a provider of medical technologies for the health care industry, including the roles of President for the Asia Pacific region, Chief Technology Officer, and Vice President of several business units, from 2008 to 2012. Mr. Ang also formerly headed the global Medical Technology and Biotechnology industry groups at the Singapore Economic Development Board's Biomedical Division, from 2004 to 2006. Mr. Ang is currently an Adjunct Associate Professor at the Nanyang Business School in Singapore and Waseda University in Japan, where he teaches in their respective M.B.A. programs, positions he has held since 2013. Mr. Ang holds a M.S. in Computational Biology from Rutgers University in New Jersey, and a Bachelor of Communication Studies (First Class) from Nanyang Technological University Singapore.

*Jun Wu, Ph.D.* Dr. Wu has served as a member of our board of directors and representative for Alnair Investment since April 2016. Dr. Wu is currently the Chairman and Managing Partner at Cenova Ventures, a principal investment firm for healthcare venture funds, a position he has held since May 2009. Previously, Dr. Wu served as the Co-founder and Chief Executive Officer of Shanghai Genomics, a biotech company, from September 2001 to May 2005, and as an Executive Managing Director of GNI Limited, a Tokyo Exchange Listed biotech company, from June 2005 to April 2009. Dr. Wu has previously served as a director of over 20 companies and investment funds in the pharmaceutical industry. Dr. Wu holds a Ph.D. in Microbiology and Immunology from the University of California at San Francisco and a B.S. in Biology from San Jose State University.

*Lim Chin Hwee Damien*. Lim Chin Hwee Damien has served as a member of our board of directors and representative for BV Healthcare II Pte. Ltd. since April 2016. He is the co-founder and currently serves as the General Partner of BioVeda Capital, a life science venture capital fund, a position he has held since 2000. He currently serves as a director of over 30 companies in a variety of industries. He has previously held the position of Director of Investments with PrimePartners, a private equity firm, from 1999 to 2000. Prior, he served as Senior Vice President at Vickers Ballas Asset Management, a private equity asset management company, from 1994 to 1999, and as Associate Director at Morgan Grenfell Asia, a merchant bank, from 1989 to 1994. He received his B.B.A. from the University of Houston.

*Jerome Shen, Ph. D.* Dr. Shen served as a member of our board of directors from August 2014 to November 2015. Dr. Shen then rejoined our board of directors in May 2016. He is currently the President of Allgenesis Biotherapeutics Inc., a new drug development company addressing the unmet medical needs in CNS and ophthalmology, a position he has held since March 2014. Dr. Shen currently serves as an independent director of Medeon Biodesign, Inc., a public Taiwanese medical device company, a position he has held since April 2015, and as a director of TWi Pharmaceuticals Inc., public Taiwanese pharmaceutical company, a position he has held since July 2017. Previously, Dr. Shen served as an independent director of Lotus Pharmaceutical Co. Ltd., a public Taiwanese pharmaceutical company, a position he held from June 2013 to September 2014, and as a director of TWi Pharmaceuticals Inc. from August 2012 to June 2014. Dr. Shen has also previously served as an executive member of various venture capital firms, including Cheng Xin Ventures, from 1996 to 2012, and Xinchen Ventures, from June 2012 to March 2014. Dr. Shen has also co-founded and held senior executive positions in several biotech start-ups, and was responsible for corporate development and strategic initiatives and planning in such positions. Dr. Shen was also the Secretary General of Taiwan Biotech Association, a non-profit organization, from 2005 to 2008. Dr. Shen received his Ph.D. in Chemical Engineering from the University of Wisconsin, Madison, and his B.S. in Chemical Engineering from the National Tsing Hua University.

*Andrew Howden.* Mr. Howden has served as a member of our board of directors since February 2016. He currently serves as Chairman of The True Origins Company P/L, an Australian company involved in the marketing of infant formula in China and Asia, a position he has held since June 2016, and Executive Chairman of First Pharma P/L, an Australian pharmaceutical company, a position he has held since September 2016. He previously served as the Chief Executive Officer of iNova Pharmaceuticals, a global pharmaceutical company developing and commercializing drugs across a range of therapeutic areas, from August 2008 to February 2015. Previously, he was the President of IMS Health, Asia Pacific, a provider of information, services and technology

for the healthcare industry, from 2007 to 2008, Regional Vice President of Asia Pacific for AstraZeneca, a multinational pharmaceutical and biopharmaceutical company, from 2002 to 2006, and he has held senior executive roles at Quintiles IMS Holdings, Inc., a public health information technologies and clinical research company, from 2000 to 2002. Mr. Howden has also previously served on the board of directors of over 20 companies within the pharmaceutical and healthcare industries. He received a B.S. and an M.Com. from the University of New South Wales, Australia.

*Kelvin Sun.* Mr. Sun has served as a member of our board of directors since April 2016. Mr. Sun has served as founder and president of Saga-Unitek Ventures, a venture capital and private equity fund management company, specializing in investing in middle-market, growth-oriented companies, as well as those funds under its management, since 1998. He currently serves as an independent director of TWi Pharmaceuticals Inc., a public Taiwanese pharmaceutical company, a position he has held since June 2012, as an independent director of Wonderful Hi-Tech Co. Ltd., a public Taiwanese electrical wire and cable manufacturing company, a position he has held since June 2010, and as an independent director of Tah Tong Textile Co., Ltd., a Taiwanese textile manufacturing company, a position he has held since June 2015. Mr. Sun also currently serves as a board member of Pixon Technologies, a Taiwanese optical light sources manufacturing company, a position he has held since June 2011, Reber Genetics Co., Ltd., a Taiwanese animal vaccine biotech company, a position he has held since December 2014, Newmax Technology Co., Ltd., a Taiwanese optical lens manufacturing company, a position he has held since December 2017 and the Taiwan Venture Capital Association, a position he has held since 2008. He previously served as the senior officer at Chengxin VC Group, a Taiwanese venture capital firm, from 1997 to 1998, as the Director for the Asian Engineering Center of Emerson Electric, a U.S. publicly listed industrial company, from 1995 to 1997, and as the R&D Section Leader at Prime Optical Fiber Corporation, a Taiwanese fiber optics manufacturing company, from 1992 to 1993. He holds an M.B.A. from the University of Michigan at Ann Arbor and an M.S. in Materials Science from Wayne State University.

*Mei-Shu Lai, Ph.D., M.D.* Dr. Lai has served as a member of our board of directors since April 2016. Dr. Lai is currently serving as a Professor for Epidemiology and Preventative Medicine at the National Taiwan University, a position held since September 2001. Previously, Dr. Lai was the President and Chief Executive Officer for the Bureau of National Health Insurance in Taiwan, from 1998 to 2001, as well as a Deputy Minister for the Department of Health in Taiwan, from 1996 to 1998. Dr. Lai holds a Ph. D. from the National Taiwan University, an M.P.H. from the University of Pittsburgh, and an M.D. from the National Taiwan University.

**Family Relationships**

There are no family relationships among any of our executive officers or directors.

**Foreign Private Issuer Exemption**

We are a “foreign private issuer,” as defined by the SEC. As a result, in accordance with the rules and regulations of The Nasdaq Stock Market LLC, or Nasdaq, we will comply with home country governance requirements and certain exemptions thereunder rather than complying with Nasdaq corporate governance standards. While we voluntarily follow most Nasdaq corporate governance rules, we may choose to take advantage of the following exemptions afforded to foreign private issuers:

- Exemption from the requirement that a majority of our board of directors consists of independent directors.
- Exemption from the requirement that our audit committee have a written charter addressing the audit committee’s responsibilities and authority as set forth in Nasdaq Rule 5605(c)(1).
- Exemption from the requirement that our remuneration committee have a written charter addressing the remuneration committee’s responsibilities and authority as set forth in Nasdaq Rule 5605(d).

- Exemption from the requirement to have independent director oversight of director nominations and a formal written charter or board resolution addressing the nominations process as set forth in Nasdaq Rule 5605(e).
- Exemption from the requirement that we have a code of conduct applicable to all directors, officers and employees and from any requirement that we have a code of conduct in compliance with Section 406 of the Sarbanes-Oxley Act of 2002.
- Exemption from the Nasdaq rules applicable to domestic issuers requiring disclosure within four business days of any determination to grant a waiver of the code of business conduct and ethics to directors and officers. Although we will require board approval of any such waiver, we may choose not to disclose the waiver in the manner set forth in the Nasdaq rules, as permitted by the foreign private issuer exemption.
- Exemption from the requirement to obtain shareholder approval for certain issuances of securities, including shareholder approval of stock option plans.
- Exemption from the requirements governing the review and oversight of all "related party transactions," as defined in Item 7.B of Form 20-F.
- Exemption from the requirement that our board of directors shall have regularly scheduled meetings at which only independent directors are present as set forth in Nasdaq Rule 5605(b)(2).

We intend to follow our home country practices in lieu of the foregoing requirements. Although we may rely on home country corporate governance practices in lieu of certain of the rules in the Nasdaq Rule 5600 Series and Rule 5250(d), we must comply with Nasdaq's Notification of Noncompliance requirement (Rule 5625), the Voting Rights requirement (Rule 5640) and have an audit committee that satisfies Rule 5605(c)(3), consisting of committee members that meet the independence requirements of Rule 5605(c)(2)(A)(ii). Although we currently intend to comply with the Nasdaq corporate governance rules applicable other than as noted above, we may in the future decide to use the foreign private issuer exemption with respect to some or all the other Nasdaq corporate governance rules.

In addition, as a foreign private issuer, we expect to take advantage of the following exemptions from SEC reporting obligations:

- Exemption from filing quarterly reports on Form 10-Q or provide current reports on Form 8-K, disclosing significant events within four days of their occurrence.
- Exemption from Section 16 rules regarding sales of common shares by insiders, which will provide less data in this regard than shareholders of U.S. companies that are subject to the Exchange Act.

Accordingly, our shareholders will not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of Nasdaq and the domestic reporting requirements of the SEC. We may utilize these exemptions for as long as we continue to qualify as a foreign private issuer.

**Composition of our Board of Directors**

Our board of directors is currently composed of eight members. Our board of directors has determined that, of our eight directors, three do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of director and that each of these directors is "independent" as that term is defined under the Taiwan Securities and Exchange Act, or the Taiwan Act. According to the Taiwan Act, during the two years before being elected and during the term of office, none of our independent directors may have been or be any of the following, which we refer to as a Restricted Person:

1. An employee of ours or any of our affiliates;
2. Our statutory auditor or of our affiliates;

3. A director of our affiliates, unless he or she was an independent director of our subsidiary;
4. A natural-person shareholder who holds in the aggregate, together with his or her spouse, minor children, and his or her nominees, one percent or more of our ordinary shares outstanding or ranks among the top ten in our shareholdings;
5. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding four items;
6. A director, statutory auditor, or employee of a corporate shareholder that directly holds five percent or more of our total number of shares outstanding or of a corporate shareholder that ranks among the top five in our shareholdings;
7. A director, statutory auditor, officer, or shareholder holding five percent or more of the shares of a company or institution that meets certain statutorily specified criteria and has a financial or business relationship with us; or
8. A professional individual who, or an owner, partner, director, statutory auditor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to us or to any of our affiliates, or a spouse thereof; provided that this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Taiwan Act or to the Taiwan Business Mergers and Acquisitions Act or related laws or regulations.

The "during the two years before being elected" requirement does not apply when an independent director of ours has served as an independent director of our or any of our affiliates, or of a specific company or institution that has a financial or business relationship with us, as stated in items 3 or 7 above, but is currently no longer in that position.

In accordance with our Articles, our directors serve for a term of three years and, at the expiration of such term, are eligible for reelection by our shareholders. If a new director is not elected after the expiration of the tenure of an existing director, the tenure of such out-going director shall be extended until a new director has been elected.

**Committees of our Board of Directors**

Our board of directors has two standing committees: an audit committee and a remuneration committee.

*Audit Committee*

The audit committee, which consists of Mr. Howden, Dr. Lai and Mr. Sun, assists the board of directors in overseeing our accounting and financial reporting processes and the audits of our financial statements. Mr. Sun serves as chairman of the audit committee. The audit committee consists exclusively of independent members of our board. Our board of directors has determined that Kelvin Sun qualifies as an "audit committee financial expert" as defined by applicable SEC rules and has the requisite financial sophistication as defined under the applicable Nasdaq rules and regulations. Our board has determined that all of the members of the audit committee satisfy the "independence" requirements set forth in Rule 10A-3 under the Exchange Act. The audit committee will be governed by a charter that complies with Nasdaq rules.

The audit committee's responsibilities will include:

- the adoption of or amendments to the internal control system;
- assessment of the effectiveness of the internal control system;

- the adoption or amendment, of the procedures for handling financial or business activities of a material nature such as acquisition or disposal of assets, derivatives trading, lending of funds to others and endorsements or guarantees for others;
- matters in which a director is an interested party;
- asset transactions or derivatives trading of a material nature;
- loans of funds, endorsements or provision of guarantees of a material nature;
- the offering, issuance or private placement of equity-type securities;
- the hiring or dismissal of a certified public accountant or their compensation;
- the appointment or discharge of a financial, accounting or internal audit officer;
- annual and semi-annual financial reports; and
- other material matters as may be required by us or by the competent authority.

The audit committee will meet as often as one or more members of the audit committee deem necessary, but in any event will meet at least four times per year according to the Taiwan Act.

*Remuneration Committee*

The remuneration committee, which consists of Mr. Howden, Dr. Lai and Mr. Sun, assists the board of directors in determining executive officer compensation. Mr. Howden serves as chairman of the remuneration committee. Under the Taiwan Act, our remuneration committee shall be comprised of at least three members, and at least one of them shall be an independent member of the board as defined under the Taiwan Act. All members of our remuneration committee are independent members of the board as defined by the Taiwan Act. In addition, during the two years before being appointed to his or her term of office, none of our remuneration committee members may have been or be a Restricted Person. This "during the two years before being appointed" requirement does not apply where a remuneration committee member has served as an independent director of ours or any of our affiliates, or of a specified company or institution that has a financial or business relationship with us, as stated in items 3 or 7 of the definition of Restricted Person above, but is currently no longer in that position. Under SEC and Nasdaq rules, there are heightened independence standards for members of the remuneration committee, including a prohibition against the receipt of any compensation from us other than standard board member fees. Although foreign private issuers are not required to meet this heightened standard, all of our remuneration committee members meet this heightened standard.

The remuneration committee's responsibilities include:

- professionally and objectively evaluate the policies and systems for compensation of the directors, supervisors, and managerial officers of us, and submit recommendations to the board of directors for its reference in decision making;
- establishing and periodically reviewing the annual and long-term performance goals for the directors and managerial officers of us and the policies, systems, standards, and structure for their compensation;
- periodically assessing the degree to which performance goals for the directors and managerial officers of us have been achieved, and setting the types and amounts of their individual compensation; and
- periodically review the charter and propose suggestion for amendments.

When performing these responsibilities, the remuneration committee shall follow the following principles:

- ensuring that the compensation arrangements of us comply with applicable laws and regulations and are sufficient to recruit outstanding talent;

- performance assessments and compensation levels of the directors and managerial officers shall take into account the general pay levels in the industry, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and our operational performance and future risk exposure, with respect to the achievement of our short-term and long-term business goals and the financial position;
- there shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the our tolerable risk level;
- for directors and senior managerial officers, the percentage of bonuses to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of our business; and
- no member of the committee may participate in discussion and voting when the committee is deciding on that member's individual compensation.

The remuneration committee shall submit its recommendations regarding the above for deliberation to the board. When deliberating the recommendation of the remuneration committee, the board shall give comprehensive consideration to matters including the amounts of remuneration, payment methods, and the potential future risk facing our company. If the board would like to decline to adopt, or would like to modify, a recommendation of the remuneration committee, the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board is required, and the board in its resolution shall provide its comprehensive consideration and shall specifically explain whether the remuneration passed by it exceeds in any way the remuneration recommended by the remuneration committee.

### Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that covers a broad range of matters including the handling of conflicts of interest, compliance issues and other corporate policies. Our Code of Business Conduct is applicable to both our directors and employees.

### Other Corporate Governance Matters

The Sarbanes-Oxley Act of 2002, as well as related rules subsequently implemented by the SEC, requires foreign private issuers, including our company, to comply with various corporate governance practices. In addition, Nasdaq rules provide that foreign private issuers may follow home country practice in lieu of the Nasdaq corporate governance standards, subject to certain exceptions and except to the extent that such exemptions would be contrary to U.S. federal securities laws.

Because we are a foreign private issuer, our members of our board of directors, executive board members and senior management are not subject to short-swing profit and insider trading reporting obligations under section 16 of the Exchange Act. They will, however, be subject to the obligations to report changes in share ownership under section 13 of the Exchange Act and related SEC rules.

### Compensation of Executive Officers and Directors

#### Incentive Compensation

For the year ended December 31, 2017, the aggregate compensation accrued or paid to the members of our board of directors and our executive officers for services in all capacities was $ .

The amount set aside or accrued by us to provide pension, retirement or similar benefits to members of our board of directors or executive officers amounted to a total of $ in the year ended December 31, 2017.

We do not maintain any cash incentive or bonus programs. During the year ended December 31, 2017, we had no performance based compensation programs other than the 2017 SMT Long Term Incentive Plan, or the LTIP. For more information on the LTIP, see the discussion below under "—Compensation Plans—2017 SMT Long Term Incentive Plan."

***Executive Officer Compensation***

**Equity Awards**

We did not grant any share options to our executive officers during the fiscal year ended December 31, 2017.

**Employment Agreements with Executive Officers**

We have entered into employment agreements with our executive officers. Each of our executive officers is employed for a continuous term unless either we or the executive officer gives prior notice to terminate such employment. We may terminate the employment for just cause, at any time, without notice or remuneration, for certain acts of the executive officer. An executive officer may terminate his or her employment at any time with six months' prior written notice.

Each executive officer has agreed to maintain the confidentiality of any confidential information, both during and after the employment agreement expires or is earlier terminated. In addition, all executive officers have agreed to be bound by a non-solicitation covenant that prohibits each executive officer from contacting or communicating with our customers, members, partners, suppliers or any other persons or entities with whom we do business or soliciting or hiring any of our employees during his or her employment and for one year after the termination of his or her employment and by a non-compete covenant that prohibits each executive officer from competing with us, directly or indirectly, during his or her employment and for six months after the termination of his or her employment.

**Option Grants**

We have made grants of options to our employees pursuant to our 2014 Employee Share Option Scheme Plan, or the 2014 Plan, and our 2017 Employee Share Option Plan 1, or the 2017 Plan. Options granted pursuant to the 2014 Plan are either vested in full as of the date of grant or are 25% vested as of the date of grant, with the remaining 75% vesting in equal annual installments over the three years following the date of grant. Options granted pursuant to the 2017 Plan vest in full upon the two year anniversary of the date of grant. Vested options may be exercised during their term and for varying periods following termination of service, depending on the reason for termination. Options will be adjusted to account for any changes in capitalization or certain other corporate events and are not transferable (but may be exercised by the individual's heirs in the case of death, to the extent vested at the time of death). For more information on our option grants, see "Management—Compensation Plans."

**Other Programs**

We have adopted defined contribution plans which are post-employment benefit plans under which we pay fixed contributions into the Central Provident Fund on a mandatory basis. We have no further payment obligations once the contributions have been paid. The contributions are recognized as employee compensation expense when they are due.

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

***Director Compensation***

We provide only cash compensation to each of our non-executive directors not serving as a representative of a shareholder for the time and effort necessary to serve as a member of our board of directors. We pay each director an annual service retainer of $29,000, paid on a quarterly basis, for serving on the board. Our directors do not receive additional cash retainers for serving on the audit or remuneration committee or for serving as the chairperson of our board of directors our any committee of our board of directors. The compensation of the non-executive directors complies with our Articles and is determined by our remuneration committee and board of directors as a whole, based on a review of individual contributions to our operations and current practices in other companies.

***2017 Director Compensation Table***

The following table sets forth information regarding the compensation earned by our non-executive directors for service on our board of directors during the year ended December 31, 2017.

| Name | Fees Earned in Cash | All Other Compensation | Total |
|---|---|---|---|
| Abel Ang (representing Advanced Materials Technologies Pte Ltd.) | | | |
| Jun Wu, Ph.D. (representing Alnair Investment) | | | |
| Lim Chin Hwee Damien (representing BV Healthcare II Pte Ltd.) | | | |
| Jerome Shen, Ph.D. | | | |
| Andrew Howden | | | |
| Kelvin Sun | | | |
| Mei-Shu Lai, Ph.D., M.D. | | | |

We have not granted any options or issued any shares of restricted stock to our non-executive directors.

### Grants of Share Options to Executive Officers

The following table summarizes, as of the date of this prospectus, outstanding share options to purchase ordinary shares granted to our executive officers. We have not granted any share options to our non-executive directors.

| Name | Grant Date | Number of Shares Underlying Stock Option | Exercise Price per Share | Stock Option Expiration Date |
|---|---|---|---|---|
| Carl Firth, Ph.D. | July 1, 2010 | 300,000 | $0.10 | July 1, 2020 |
| | July 1, 2010 | 150,000 | $0.40 | July 1, 2020 |
| | July 1, 2011 | 180,000 | $0.10 | July 1, 2021 |
| | July 1, 2011 | 225,000 | $0.40 | July 1, 2021 |
| | July 1, 2012 | 295,500 | $0.40 | July 1, 2022 |
| | July 1, 2013 | 4,500 | $0.40 | July 1, 2023 |
| | July 1, 2013 | 300,000 | $0.68 | July 1, 2023 |
| | July 1, 2014 | 300,000 | $0.68 | July 1, 2024 |
| | July 1, 2015 | 150,000 | $0.68 | July 1, 2025 |
| | July 1, 2015 | 1,050,000 | $0.94 | July 1, 2025 |
| | July 1, 2016 | 300,000 | $1.13 | July 1, 2026 |
| Bertil Lindmark, Ph.D., M.D. | July 1, 2015 | 460,000 | $0.68 | July 1, 2025 |
| | July 1, 2015 | 820,000 | $0.94 | July 1, 2025 |
| | July 1, 2016 | 240,000 | $1.13 | July 1, 2026 |
| Mark McHale, Ph.D. | July 1, 2010 | 120,000 | $0.40 | July 1, 2020 |
| | July 1, 2011 | 60,000 | $0.10 | July 1, 2021 |
| | July 1, 2011 | 180,000 | $0.40 | July 1, 2021 |
| | July 1, 2012 | 240,000 | $0.40 | July 1, 2022 |
| | July 1, 2013 | 240,000 | $0.68 | July 1, 2023 |
| | July 1, 2014 | 240,000 | $0.68 | July 1, 2024 |
| | July 1, 2015 | 120,000 | $0.68 | July 1, 2025 |
| | July 1, 2015 | 840,000 | $0.94 | July 1, 2025 |
| | July 1, 2016 | 240,000 | $1.13 | July 1, 2026 |
| Jeff Tomlinson | July 1, 2010 | 240,000 | $0.10 | July 1, 2020 |
| | July 1, 2010 | 120,000 | $0.40 | July 1, 2020 |
| | July 1, 2011 | 180,000 | $0.40 | July 1, 2021 |
| | July 1, 2012 | 240,000 | $0.40 | July 1, 2022 |
| | July 1, 2013 | 240,000 | $0.68 | July 1, 2023 |
| | July 1, 2014 | 240,000 | $0.68 | July 1, 2024 |
| | July 1, 2015 | 120,000 | $0.68 | July 1, 2025 |
| | July 1, 2015 | 840,000 | $0.94 | July 1, 2025 |
| | July 1, 2016 | 240,000 | $1.13 | July 1, 2026 |
| Ben Goodger | July 1, 2016 | 276,000 | $1.13 | July 1, 2026 |
| Kiran Asarpota | July 1, 2010 | 60,000 | $0.40 | July 1, 2020 |
| | July 1, 2011 | 60,000 | $0.40 | July 1, 2021 |
| | July 1, 2012 | 60,000 | $0.40 | July 1, 2022 |
| | July 1, 2013 | 60,000 | $0.68 | July 1, 2023 |
| | July 1, 2014 | 60,000 | $0.68 | July 1, 2024 |
| | July 1, 2015 | 40,000 | $0.68 | July 1, 2025 |
| | July 1, 2015 | 40,000 | $0.94 | July 1, 2025 |
| | July 1, 2016 | 120,000 | $1.13 | July 1, 2026 |

**Compensation Plans**

*2014 Employee Share Option Scheme Plan*

We maintain the 2014 Plan, pursuant to which we may grant awards including options, stock appreciation rights, sales or bonuses of restricted shares, restricted share units and dividend equivalent rights. The 2014 Plan became effective on August 26, 2014, and has a term of ten years. Awards under the 2014 Plan may be granted to our employees, directors and consultants.

The maximum aggregate number of shares that may be issued under the plan is 2,731,250 shares. Any shares covered by an award that is forfeited, canceled or expires will be deemed not to have been issued for purposes of determining the number of shares that are available for grant under the 2014 Plan.

The 2014 Plan may be administered by our board of directors or a committee thereof, which administrator has the authority to: determine the individuals to whom awards may be granted and the terms of such awards; amend the terms of any outstanding award, provided that the consent of the grantee is required where the grantee's rights would be adversely affected; construe and interpret the terms of the 2014 Plan and awards granted thereunder; and take such other action, not inconsistent with the terms of the 2014 Plan, as it deems appropriate.

The number of shares under the 2014 Plan and under outstanding awards, and the exercise price of outstanding awards, will be adjusted to reflect certain changes in capitalization. In the event of a corporate transaction (as defined in the 2014 Plan), awards will terminate if not assumed. If they are assumed, the awards will fully vest if the holder's employment is terminated without cause or the holder resigns for good reason, in either case within 12 months thereafter.

*2017 Employee Share Option Plan 1*

We maintain the 2017 Plan, pursuant to which we may grant share options. The 2017 Plan became effective on September 13, 2017, and has a term of ten years. Awards under the 2017 Plan may be granted to our employees. The maximum aggregate number of shares that may be issued under the plan is 1,000,000 shares.

The 2017 Plan is administered by our board of directors, which has the authority to determine the individuals to whom awards may be granted and the terms of such awards; and to construe and interpret the terms of the 2017 Plan and awards granted thereunder.

The number of shares under the 2017 Plan and under outstanding awards, and the exercise price of outstanding awards, will be adjusted to reflect certain changes in capitalization. In the event of a corporate transaction (as defined in the 2017 Plan), awards will terminate if not assumed. If they are assumed, the awards will vest if the holder's employment is terminated without cause or the holder resigns, in either case within 12 months thereafter. In the event of a change in control (as defined in the 2017 Plan) that is not a corporate transaction, awards will fully vest if the holder's employment is terminated without cause or the holder resigns, in either case within 12 months thereafter.

*2017 SMT Long Term Incentive Plan*

We maintain the LTIP, pursuant to which we may grant bonus entitlement unit awards. The LTIP became effective on August 23, 2017, and has a term of ten years. Awards under the LTIP may be granted to our employees.

The LTIP is administered by the members of the remuneration committee, which committee has the authority to: determine the individuals to whom unit awards may be granted and the terms of such unit awards; amend the terms of any outstanding unit award, provided that the consent of the grantee is required where the grantee's rights would be adversely affected; construe and interpret the terms of the LTIP and unit awards granted thereunder; and take such other action, not inconsistent with the terms of the LTIP, as it deems appropriate.

Upon vesting and redemption, each unit award is converted into a cash payment equal to the number of units multiplied by the per-share fair market value of our ordinary shares on the day following our receipt of a redemption notice, up to a cap of five times the base value of the unit as set forth in the grantee's award agreement. Redemption occurs automatically upon termination of employment and upon the per-share fair market value exceeding five times the base value of the unit award, to the extent not previously redeemed.

The terms of awards will be adjusted to reflect certain changes in capitalization. In the event of a corporate transaction (as defined in the LTIP), awards will terminate if not assumed. If they are assumed, the awards will vest and be redeemed if the holder's employment is terminated without cause or the holder resigns for good reason, in either case within 12 months thereafter. In the event of a change in control (as defined in the LTIP) that is not a corporate transaction, awards will fully vest if the holder's employment is terminated without cause or the holder resigns for good reason, in either case within 12 months thereafter.

**Insurance and Indemnification**

We are empowered by our Articles to indemnify our directors against any liability they incur by reason of their directorship. We maintain directors' and officers' insurance to insure such persons against certain liabilities. In addition, our employment agreements with our executive officers provide for indemnification. We expect to enter into an indemnification agreement with each of our directors and executive officers.

In addition to such indemnification, we provide our directors and executive officers with directors' and officers' liability insurance as permitted by our Articles.

Insofar as indemnification of liabilities arising under the Securities Act may be permitted to our board, executive officers, or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

## RELATED PARTY TRANSACTIONS

Since January 1, 2014, we have engaged in the following transactions with our directors, executive officers or holders of more than 5% of our outstanding share capital and their affiliates, which we refer to as our related parties.

### Loan Agreements

***September 2015***

In September 2015, we entered into a loan agreement with certain of our investors and shareholders pursuant to which we borrowed an aggregate of $492,857 for a term of six months with an interest rate of 1.0% per month. Under the terms of the agreement, the shareholders and investors could elect to direct us to apply the loan repayment proceeds towards the purchase of Series C Preference Shares in the event we completed a Series C financing prior to the loan repayment. Each of the investors and shareholders elected to apply their respective loan repayment proceeds towards the purchase of Series C Preference Shares pursuant to the Investment Agreement, as defined below under the heading "Subscriptions of our Series C Preference Shares," and the loan was repaid in full in connection with the issuance of Series C Preference Shares.

The following table sets forth the principal loan amounts granted by our related parties in this transaction:

| LENDER | Principal Loan Amount |
|---|---|
| BV Healthcare II Pte Ltd(1) | $ 200,000 |
| Carl Firth, Ph.D.(2) | $ 50,000 |
| Mark McHale, Ph.D.(3) | $ 50,000 |
| Bertil Lindmark, Ph.D., M.D.(4) | $ 50,000 |
| Jeff Tomlinson(5) | $ 25,000 |
| Kiran Asarpota(6) | $ 17,857 |

(1) BV Healthcare II Pte Ltd is a holder of more than 5% of our outstanding share capital.
(2) Dr. Firth is our Chief Executive Officer and a member of our board of directors.
(3) Dr. McHale is our Chief Operating Officer.
(4) Dr. Lindmark is our Chief Medical Officer.
(5) Mr. Tomlinson is our Chief Business Officer.
(6) Mr. Asarpota is our VP Finance.

***October 2015***

In October 2015, we entered into a loan agreement with certain of our investors and shareholders pursuant to which we borrowed an aggregate of $1,997,857 for a term of six months with an interest rate of 0.5% per month. Under the terms of the agreement, the shareholders and investors could elect to direct us to apply the loan repayment proceeds towards the purchase of Series C Preference Shares in the event we completed a Series C financing prior to the loan repayment. Each of the investors and shareholders elected to apply their respective loan repayment proceeds towards the purchase of Series C Preference Shares pursuant to the Investment Agreement, as defined below under the heading "Subscriptions of our Series C Preference Shares," and the loan was repaid in full in connection with the issuance of Series C Preference Shares.

The following table sets forth the principal loan amounts granted by our related parties in this transaction:

| LENDER | Principal Loan Amount |
|---|---|
| BV Healthcare II Pte Ltd(1) | $ 50,000 |
| Carl Firth, Ph.D.(2) | $ 40,000 |
| Bertil Lindmark, Ph.D., M.D.(3) | $ 50,000 |

(1) BV Healthcare II Pte Ltd is a holder of more than 5% of our outstanding share capital.
(2) Dr. Firth is our Chief Executive Officer and a member of our board of directors.
(3) Dr. Lindmark is our Chief Medical Officer.

**Subscriptions of our Series C Preference Shares**

In November 2015, we entered into an Investment Agreement pursuant to which we issued an aggregate of 21,276,597 Series C Preference Shares to certain investors at a price of $1.88 per share between November 2015 and January 2016. On May 27, 2016, we implemented a 2-to-1 forward share split of our ordinary shares and preferred shares. The foregoing share amounts and price per share do not reflect the forward share split.

The following table sets forth the aggregate number of Series C Preference Shares issued to our related parties pursuant to these transactions:

| INVESTORS | Series C Preference Shares |
|---|---|
| Advanced Materials Technologies Pte Ltd(1) | 1,063,830 |
| BV Healthcare II Pte Ltd(2) | 531,915 |
| Kimba Capital Limited(3) | 55,998 |
| WJT Holdings Limited(4) | 15,691 |
| Match Point Developments Limited(5) | 31,383 |
| Bertil Lindmark, Ph.D., M.D.(6) | 115,343 |
| Kiran Asarpota(7) | 9,498 |

(1) Advanced Materials Technologies Pte Ltd has a representative appointed to our board of directors.
(2) BV Healthcare II Pte Ltd is a holder of more than 5% of our outstanding share capital.
(3) Dr. Firth, our Chief Executive Officer, is the sole owner and director of Kimba Capital Limited.
(4) Mr. Tomlinson, our Chief Business Officer, is the sole owner and director of WJT Holdings Limited.
(5) Dr. McHale, our Chief Operating Officer, is the sole owner and director of Match Point Developments Limited.
(6) Dr. Lindmark is our Chief Medical Officer.
(7) Mr. Asarpota is our VP Finance.

**Subscriptions of our Ordinary Shares**

In June 2016, we entered into a Share Subscription Agreement pursuant to which we issued an aggregate of 19,667,144 ordinary shares to certain investors at a price of $1.13 per share.

The following table sets forth the aggregate number of ordinary shares issued to our related parties pursuant to this transaction:

| INVESTORS | Ordinary Shares |
|---|---|
| Match Point Developments Limited(1) | 44,248 |
| Bertil Lindmark(2) | 44,248 |

(1) Dr. McHale, our Chief Operating Officer, is the sole owner and director of Match Point Developments Limited.
(2) Dr. Lindmark is our Chief Medical Officer.

**Agreements with Our Executive Officers and Directors**

We have entered into employment agreements with our executive officers and director compensation agreements with our non-executive directors. See “Management—Compensation of Executive Officers and Directors.” These agreements contain customary provisions and representations, including confidentiality, non-competition and non-solicitation undertakings by the executive officers. However, the enforceability of the non-competition provisions may be limited under applicable law.

### Related Party Transaction Policy

We have adopted a related party transaction policy, which requires that certain related party transactions be approved by our board of directors and audit committee. We intend to afford ourselves of the Nasdaq foreign private issuer exemption from the requirement that our audit committee have review and oversight over all "related party transactions," as defined in Item 7.B of Form 20-F. The definition of "related party transactions" per our related party transaction policy and ROC law is not as broad as the definition in Item 7.B of Form 20-F.

### Indemnification Agreements

In connection with this offering, we expect to enter into indemnification agreements with each of our directors and executive officers. See "Management —Compensation of Executive Officers and Directors—Insurance and Indemnification."

## PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of November 8, 2017 for:

- each beneficial owner of 5% or more of our outstanding ordinary shares;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include ordinary shares issuable upon the exercise of options that are immediately exercisable or exercisable within 60 days of November 8, 2017. Percentage ownership calculations are based on 130,128,940 ordinary shares outstanding as of November 8, 2017.

As of November 8, 2017, to the best of our knowledge, approximately 2,620,973 ordinary shares, or 2.0%, of our outstanding ordinary shares as of such date were held by six shareholders of record in the United States.

Except as otherwise indicated, all of the shares reflected in the table are ordinary shares and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. The information is not necessarily indicative of beneficial ownership for any other purpose. None of our major shareholders have different voting rights with respect to their ordinary shares. We have set forth below information known to us regarding any significant change in the percentage ownership of our ordinary shares by any major shareholders during the past three years.

Except as otherwise indicated in the table below, addresses of the directors, executive officers and named beneficial owners are in care of ASLAN Pharmaceutical Limited, 83 Clemenceau Avenue #12-03 UE Square, Singapore 239920 and our telephone number is +65 6222 4235.

| Name of Beneficial Owner | Number of Shares Beneficially Owned | Percentage of Shares Beneficially Owned | |
|---|---|---|---|
| | | Before Offering | After Offering |
| *5% or Greater Shareholders:* | | | |
| Alnair Investment(1) | 9,887,358 | 7.6% | |
| BV Healthcare II Pte. Ltd.(2) | 7,542,112 | 5.8% | |
| *Executive Officers and Directors:* | | | |
| Carl Firth, Ph.D.(3) | 6,212,340 | 4.7% | |
| Bertil Lindmark, Ph.D., M.D.(4) | 1,381,483 | 1.1% | |
| Mark McHale, Ph.D.(5) | 3,351,915 | 2.5% | |
| Jeff Tomlinson(6) | 3,867,234 | 2.9% | |
| Ben Goodger(7) | 180,000 | * | |
| Kiran Asarpota(8) | 524,996 | * | |
| Advanced Materials Technologies Pte. Ltd. (represented by Abel Ang)(9) | 2,127,660 | 1.6% | |
| Alnair Investment (represented by Jun Wu, Ph.D.)(10) | 9,887,358 | 7.6% | |
| BV Healthcare II Pte. Ltd. (represented by Lim Chin Hwee Damien)(11) | 7,542,112 | 5.8% | |
| Jerome Shen, Ph.D. | — | — | |
| Andrew Howden(12) | 439,510 | * | |
| Kelvin Sun | — | — | |
| Mei-Shu Lai, Ph.D, M.D. | — | — | |
| All current executive officers and directors as a group (13 persons)(13) | 35,514,608 | 25.6% | |

* Represents beneficial ownership of less than one percent.

(1) Consists of 8,823,528 ordinary shares held by Alnair Investment, or Alnair, and 1,063,830 ordinary shares held by Shanghai Cenova Innovation Venture Fund L.P., or Shanghai Cenova. Alnair is wholly owned and controlled by Shanghai Cenova. Shanghai Cenova Bioventure Equity Investment Fund Management Enterprise L.P., or Shanghai Cenova Bioventure, is the general partner of Shanghai Cenova. Shanghai Cenova Bioventure is owned and controlled by Dr. Wu, a member of our board of directors. As such, Dr. Wu may be deemed to have sole voting and dispositive power with respect to the shares held by Alnair and Shanghai Cenova. The addresses for Alnair and Shanghai Cenova are P.O. Box 2075, George Town, Grand Cayman KY1-1105, Cayman Islands and No. 53 Gao You Road, Shanghai, China 200031, respectively.

(2) Consists of 7,542,112 ordinary shares held by BV Healthcare II Pte. Ltd., or BV Healthcare. BioVeda Capital Singapore Pte. Ltd., or BioVeda, is the investment manager of BV Healthcare. An investment committee of BV Healthcare, which includes Mr. Lim, or the BV Investment Committee, reviews and approves investment and divestment proposals submitted by BioVeda. As such, the BV Investment Committee may be deemed to have voting and dispositive power with respect to the shares held by BV Healthcare. The address for BV Healthcare is 50 Cuscaden Road #08-01 HPL House, Singapore 249724.

(3) Consists of (A) 63,000 ordinary shares held by Dr. Firth, (B) 3,344,340 ordinary shares held by Kimba Capital Limited, or Kimba Capital, and (C) 2,805,000 ordinary shares issuable upon the exercise of share options granted to Dr. Firth that are exercisable within 60 days of November 8, 2017. Dr. Firth is director of Kimba Capital and has sole voting and dispositive power with respect to the shares held by Kimba Capital. As such, Dr. Firth may be deemed to be a beneficial owner of shares held by Kimba Capital.

(4) Consists of (A) 301,483 ordinary shares and (B) 1,080,000 ordinary shares issuable upon the exercise of share options granted to Dr. Lindmark that are exercisable within 60 days of November 8, 2017.

(5) Consists of (A) 1,431,915 ordinary shares held by Match Point Developments Limited, or Match Point and (B) 1,920,000 ordinary shares issuable upon the exercise of share options granted to Dr. McHale that are exercisable within 60 days of November 8, 2017. Dr. McHale is director of Match Point and has sole voting and dispositive power with respect to the shares held by Match Point. As such, Dr. McHale may be deemed to be a beneficial owner of shares held by Match Point.

(6) Consists of (A) 1,767,234 ordinary shares held by WJT Holdings Limited, or WJT Holdings, and (B) 2,100,000 ordinary shares issuable upon the exercise of share options granted to Mr. Tomlinson that are exercisable within 60 days of November 8, 2017. Mr. Tomlinson is director of WJT Holdings and has sole voting and dispositive power with respect to the shares held by WJT Holdings. As such, Mr. Tomlinson may be deemed to be a beneficial owner of shares held by WJT Holdings.

(7) Consists of (A) 42,000 ordinary shares and (B) 138,000 ordinary shares issuable upon the exercise of share options granted to Mr. Goodger that are exercisable within 60 days of November 8, 2017.

(8) Consists of (A) 104,996 ordinary shares held by Mr. Asarpota and (B) 420,000 ordinary shares issuable upon the exercise of share options granted to Mr. Asarpota that are exercisable within 60 days of November 8, 2017.

(9) Consists of 2,127,660 ordinary shares held by Advanced Materials Technologies Pte. Ltd., or AMT. Mr. Ang is as a member of our board of directors and serves in such capacity as a representative of AMT. Mr. Ang is also a director of AMT. As such, Mr. Ang may be deemed to be a beneficial owner of shares held by AMT. While the directors of AMT have voting and dispositive power over the shares held by AMT, none of them has a pecuniary interest therein. Accordingly, Mr. Ang disclaims beneficial ownership of such shares.

(10) Consists of the shares described in footnote (1) above. Dr. Wu is a member of our board of directors and serves in such capacity as a representative of Alnair. Dr. Wu is also a director of Alnair, general manager of Shanghai Cenova and owns and controls Shanghai Cenova Bioventure, the general partner of Shanghai Cenova. As such, Dr. Wu may be deemed to be a beneficial owner of shares held by Alnair and Shanghai Cenova.

(11) Consists of the shares described in footnote (2) above. Mr. Lim is a member of our board of directors and serves in such capacity as a representative of BV Healthcare. Mr. Lim is also a director of BV Healthcare

and on the BV Investment Committee. As such, Mr. Lim may be deemed to be a beneficial owner of shares held by BV Healthcare.

(12) Consists of 439,510 ordinary shares held by Mr. Howden.

(13) Consists of the shares referenced in footnotes (3) — (12) above.

## DESCRIPTION OF SHARE CAPITAL AND GOVERNING DOCUMENTS

### General

We are an exempted company incorporated in June 2014 with limited liability under the laws of the Cayman Islands and our affairs are governed by:

- Our Fifth Amended and Restated Memorandum and Articles of Association, or our Articles;
- the Companies Law (as amended) of the Cayman Islands, or the Companies Law; and
- the common law of the Cayman Islands.

As of the date of this prospectus, our authorized share capital is NT$2,000,000,000 divided into 200,000,000 ordinary shares with a par value of NT$10.00 per ordinary share. As of the date of this prospectus, there are 130,128,940 ordinary shares issued and outstanding.

For our initial public offering in Taiwan, we conducted a restructuring between one of our subsidiaries, ASLAN Pharmaceuticals Pte. Ltd., a Singapore entity, and us. After the restructuring, we became the parent company of ASLAN Pharmaceuticals Pte. Ltd. and the listing entity in Taiwan. The restructuring was consummated through a share swap according to a reconstruction agreement between ASLAN Pharmaceuticals Pte. Ltd., its then shareholders, and us on September 2014 pursuant to which the shares of ASLAN Pharmaceuticals Pte. Ltd. held by its then shareholders, including ordinary shares, Series A and Series B Preference shares, were swapped into our ordinary shares, Series A and Series B Preference shares at a ratio of 1:1.

Further, we also underwent a share capital restructuring to change the par value of our ordinary shares to NT$10.00.

We raised $41,189,000 by issuing 17,047,095 and 4,861,948 Series C Preference shares at $1.88 per share in November 2015 and January 2016, respectively. In June 2016, we raised $22,224,000 by issuing 19,667,144 ordinary shares at $1.13 per share. In our initial public offering in Taiwan on June 1, 2017, we issued 14,458,000 ordinary shares at a subscription price of NT$68.92 per ordinary share, raising, after deducting underwriting discounts and commissions and offering expenses, an aggregate of NT$996,465,000. Our ordinary shares began trading in the TPEx on June 1, 2017.

The following are summaries of material provisions of our Articles and the Companies Law insofar as they relate to the material terms of our share capital.

### Fifth Amended and Restated Memorandum and Articles of Association

Subject to other provisions in our Articles, our shareholders may by ordinary resolution increase our authorized share capital or by special resolution reduce the share capital and may also by special resolution amend our Articles.

#### Ordinary Shares

*General*

All of our outstanding ordinary shares are fully paid and non-assessable. No certificates representing the ordinary shares have been issued. The ordinary shares are not entitled to any preemptive conversion or redemption rights at the sole option of the holder of ordinary shares. Our shareholders may freely hold and vote their shares (subject to certain restrictions such as the number of proxies that may be held by a shareholder at a general meeting).

*Pre-emptive Rights*

When we issue new shares for cash consideration, our board of directors may reserve 10% to 15% of the new shares for subscription by our employees or of any of our subordinate companies, as determined by our board of directors in its reasonable discretion. Subject to several statutory exceptions, our shareholders are entitled to subscribe for the remainder of the new shares in proportion to their existing shareholdings. New shares not so subscribed by our employees and shareholders may be offered by us to the public or to specific persons designated by the board.

Since our shares are publicly traded on the TPEx, in the event of offering new shares for cash, we are also mandatorily required to offer 10% of the shares to the public at the market price, subject to a higher public offering percentage adopted by our shareholders at a shareholders' meeting. The new shares underlying the ADSs to be issued in this offering are not subject to the shareholders' pre-emptive right as such pre-emptive rights have been waived by our shareholders at the shareholders meeting held on December 8, 2017.

Our board of directors resolved on December 11, 2017 to reserve 10% of the new ordinary shares underlying ADSs to be issued in this offering for subscription by our employees. However, we expect our employees will waive their subscription rights.

*Repurchase Rights*

For so long as the shares are registered in Taiwan, the repurchase of our own shares by us shall be approved by our board of directors in compliance with Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies and relevant laws of the Cayman Islands. We may with the sanction of an ordinary resolution of the shareholders' meeting purchase and cancel our own shares out of our share capital. The number of shares to be repurchased and cancelled pursuant to our Articles shall be pro rata among our shareholders in proportion to the number of shares held by each such shareholder. The number of shares purchased by us pursuant to our Articles shall not exceed 10% of the total number of our issued shares. The total price of the shares so purchased shall not exceed the sum of retained earnings plus the premium paid on the issuance of any share and income from endowments received by us.

The amount payable to the shareholders in connection with a repurchase of shares out of our share capital may be paid in cash or by way of delivery of assets in specie. The assets to be delivered and the amount of such substitutive share capital in connection with a repurchase of shares out of our share capital shall be approved by the shareholders at the general meeting and shall be subject to consent by the shareholder receiving such assets. Prior to the aforementioned general meeting considering such repurchase, our board of directors shall have the value of assets to be delivered and the amount of such substitutive share capital in respect of repurchase of the shares audited and certified by a Taiwan certified public accountant.

*Voting Rights*

Each ordinary share is entitled to one vote. Voting at any meeting of shareholders is by a poll. Our Articles list a number of matters that must be approved by the shareholders by Supermajority Resolution (as defined below). Other matters to be approved by shareholders will be decided either by special resolution (where required by law) or by ordinary resolution. Written resolutions of shareholders in lieu of a meeting are not permitted by our Articles.

A quorum required for a meeting of shareholders consists of at least a number of shareholders present in person or by proxy and entitled to vote representing the holders of more than one-half of all of our issued voting share capital. Shareholders' meetings are held annually and may otherwise be convened by our board of directors on its own initiative. Shareholders' meetings shall also be convened on the requisition in writing of any shareholder or shareholders holding at least three percent of the issued voting share capital for one year or longer, subject to certain procedural requirements. Advance notice of at least 30 calendar days is required for convening the annual general meeting and at least 15 calendar days' notice is required for convening extraordinary general meetings.

Any ordinary resolution to be made by our shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast in person or by proxy at a meeting of our shareholders. A special resolution requires the affirmative vote of not less than two-thirds of the votes cast in person or by proxy at a meeting of our shareholders. A special resolution is required for certain matters specified in the Companies Law as requiring approval by special resolution, including appointing a voluntary liquidator, changing our name, reducing our authorized share capital and amending our Articles and for other matters such as issuing preferred shares, transferring treasury shares at a discount to employees or subordinate companies and approving the redemption terms of any preferred shares.

A "Supermajority Resolution" is defined in our Articles as a resolution adopted by a majority vote of the shareholders at a general meeting attended by shareholders who represent two-thirds or more of our total outstanding shares or, if the total number of shares represented by the shareholders present at the general meeting is less than two-thirds of our total outstanding shares, but more than one-half of our total outstanding shares, means instead, a resolution adopted at such general meeting by the shareholders who represent two-thirds or more of the total number of shares entitled to vote on such resolution at such general meeting. Among other things, approval by Supermajority Resolution is required for us to: (i) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others, (ii) transfer the whole or any material part of its business or assets, (iii) take over the transfer of another's whole business or assets, which will have a material effect on our business operation, (iv) effect any merger (subject to certain structural exceptions) or spin-off of the company in accordance with applicable listing rules, (v) grant waiver to a director engaging in any business within the scope of our business, (vi) discharge or remove a director, (vii) capitalize an amount standing to the credit of reserves or authorize the payment of dividends out of a reserve fund and (viii) issue any employee share options at a discount.

Subject to certain exceptions specified in our Articles, when a person who acts as the proxy for two or more shareholders at a general meeting, the number of votes represented by him shall not exceed three percent of the total number of votes of the company and the portion of excessive votes represented by such proxy will not be counted.

*Dividends*

The holders of our ordinary shares are entitled to receive such dividends as may be declared by an ordinary resolution and subject to our Articles and the Companies Law. Under Cayman Islands law, dividends may be paid only out of profits, which include net earnings and retained earnings undistributed in prior years, and out of share premium, a concept analogous to paid-in surplus in the United States. No dividend may be declared and paid unless our directors determine that immediately after the payment, we will be able to satisfy our liabilities as they become due in the ordinary course of business and we have funds lawfully available for such purpose. We are not permitted to pay any dividends or bonuses if (i) we do not have earnings or (ii) we have not yet covered our losses. Our Articles set out further detailed provisions dealing with how we may fund, create reserves for and pay dividends.

Any dividends will be paid to the custodian of the ADSs being issued in this offering and shall be subject to further distribution to you as a beneficial owner of the underlying ordinary shares by the custodian. See "Description of American Depositary Shares—Dividends and Other Distributions."

*Liquidation*

If we were to be liquidated and the assets available for distribution among our shareholders are insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by our shareholders in proportion to the number of the ordinary shares held by them. If in a winding up the assets available for distribution among our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the liquidation, the surplus shall be distributed among our shareholders in proportion to the number of the ordinary shares held by them at the commencement of the liquidation, subject to a deduction from those ordinary shares in respect of which there are monies due, of all monies payable to us, without prejudice to the rights of the holders of ordinary shares issued upon special terms and conditions.

If we were to be liquidated, the liquidator may, with the approval by a special resolution of our shareholders (and any other approvals as may be required by applicable listing rules), divide among our shareholders in species or in kind the whole or any part of our assets (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he/she deems fair upon any property to be divided and may determine how such division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the approval by an ordinary resolution of our shareholders, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the approval by an ordinary resolution of our shareholders shall think fit, but so that no shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

*Transfer of Shares*

Subject to the restrictions of our Articles and applicable ROC laws, as applicable, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board, provided that certain transfer restrictions apply to shares issued to our employees and subordinate companies. Subject to the requirements of applicable laws of the Cayman Islands, transfers of uncertificated shares which are registered on the TPEx may be effected by any method of transferring or dealing in securities introduced by the TPEx or operated in accordance with the applicable listing rules, as defined in our Articles, as appropriate.

Our board of directors may decline to register any transfer of shares unless (i) the instrument of transfer is lodged with us, accompanied by the certificate (if any) for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer; (ii) the instrument of transfer is in respect of only one class of shares; (iii) the instrument of transfer is duly and properly stamped (if required); or (iv) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

The registration of transfers of shares may be suspended when our register of members is closed in accordance with our Articles for the purpose of determining those shareholders that are entitled to receive notice of, attend or vote at any meeting of shareholders or any adjournment thereof, or those shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a shareholder for any other purpose.

*Variation of Rights of Shares*

Whenever our share capital is divided into different classes the rights attached to any class of our shares may (unless otherwise provided by the terms of issue of the shares of that class) only be materially adversely varied or abrogated with the approval by special resolution passed at a separate meeting of the holders of the shares of that class, but not otherwise. The necessary quorum shall be one or more persons at least holding or representing by proxy one-half in nominal or par value amount of the issued shares of the relevant class.

*Inspection of Books and Records*

Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. Our board of directors is required to keep at the office of our service agent in Taiwan copies of our Articles, the minutes of every meeting of the shareholders and the financial statements, the register of members and the counterfoil of corporate bonds issued by us. Any shareholder may request, by submitting evidentiary documents to show his or her interests involved and indicating the scope of interested matters, access to inspect and to make copies of our Articles and accounting books and records.

Without prejudice to the rights of shareholders set out in our Articles, no shareholder is entitled to require discovery of any information in respect of any detail of our trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of our business and which in the opinion of our board of directors would not be in the interests of the shareholders to communicate to the public.

*Borrowing Power*

Subject to our Articles and the ROC Regulations Governing Loaning of Funds and Making Endorsement/Guarantee by Public Companies, our board of directors may exercise its power to borrow money and to mortgage or charge our undertaking and property, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of us or of any third party.

We, however, cannot borrow money or loan funds to any person except in accordance with the requirements stipulated in our internal policies and the ROC Regulations Governing Loaning of Funds and Making Endorsement/Guarantee by Public Companies.

*Listing Rules*

As a listed company on the TPEx, we are required to comply with the relevant ROC laws, regulations, rules and code as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of the Taiwan Securities and Exchange Act, the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, or any similar statute and the rules and regulations of the Taiwan authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the TPEx or the Taiwan Stock Exchange. This body of rules is referred to in our Articles as "Applicable Listing Rules" and a number of the provisions of our Articles are subject to the Applicable Listing Rules. In particular, provisions relating to the issue of shares generally by us, the issue of shares to employees, the recording of shareholdings and the issue of share certificates, the issue of fractional shares, the transfer of shares, carrying out mergers and spin-offs, independent directors, board powers and procedure, quorum requirements for shareholder meetings and general meeting procedure, the redemption and purchase of our shares, dealing with treasury shares, borrowing powers, the payment of dividends and other distributions, the preparation of reports and financial statements and the winding up of the company are all matters expressed to be subject to, and should be read in conjunction with, the Applicable Listing Rules.

Except for the requirement that non-resident or foreign investors are obligated to open certain accounts and appoint a tax guarantor in Taiwan and the restrictions described herein, there are no other restrictions on holding or exercising voting rights on our ordinary shares.

Currently, a party who is a Chinese person may not hold our ordinary shares unless it is a qualified domestic institutional investor, or QDII, in China. In addition, we have committed to the TPEx that at no time will 30% or more of our shares be held by Chinese persons. Therefore, at any time when 30% of our shares are held by Chinese persons, you will not be entitled to withdraw and hold the underlying ordinary shares, even if you are a QDII in China. Under current ROC law, a Chinese person means an individual having residence in China (but not including a special administrative region of China such as Hong Kong or Macau, if so excluded by applicable laws of the ROC), any legal person, group, or other institutions of China and any corporation and other entity organized in countries outside of the ROC or China, but is directly or indirectly controlled by or directly or indirectly has more than 30% of its capital beneficially owned by any Chinese person described above.

We cannot exercise any voting rights attached to the treasury shares held by us.

No vote may be exercised with respect to any of the following shares and such shares shall not be counted in determining the number of issued shares: (i) the shares held by any of our subsidiaries, where the total voting shares held by us in such a subsidiary represents more than one half of the total number of voting shares of the total share equity of such a subsidiary; or (ii) the shares held by another company, where the total number of the shares or total shares equity of that company held by us and our subsidiaries directly or indirectly represents more than one half of the total number of voting shares or the total share equity of such a company. If a director gives security over more than 50% of the number of shares the director held at the time such director was elected

as a director of us, no vote may be exercised with respect to the shares representing the difference between the pledged shares and 50% of the initial shares, and such shares representing the difference between the pledged shares and 50% of the initial shares shall not be counted in the number of the votes cast by the shareholders present at the general meeting.

In the case of joint holders, the joint holders shall select among them a representative for the exercise of their shareholder's rights and the vote of their representative who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

A shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in mental illness, may vote by his committee, or other person in the nature of a committee appointed by that court, and any such committee or other person, may vote by proxy.

A shareholder cannot exercise his or her own vote or by vote by proxy on behalf of another shareholder in respect of any contract or proposed contract or arrangement if he may be interested therein. Such shares shall not be counted in determining the number of votes of the shareholders present at the meeting with regard to such resolution, but such shares may be counted in determining the number of shares represented at the meeting for the purposes of determining the quorum.

**Preference Shares**

Pursuant to our Articles, we may issue shares with rights which are preferential to those of ordinary shares issued by us with the approval of a majority of our board of directors present at a meeting attended by two-thirds or more of the total number of directors and with the approval of a special resolution. Our Articles must be amended by special resolution to provide for such preference shares.

**Material Differences in Corporate Law**

The Companies Law is modeled after the corporate legislation of the United Kingdom but does not follow recent United Kingdom statutory enactments, and differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in Delaware and their shareholders.

| | **Delaware** | **Cayman Islands** |
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| ***Title of Organizational Documents*** | Certificate of Incorporation<br>Bylaws | Memorandum of Association<br>Articles of Association |
| ***Duties of Directors*** | Under Delaware law, the business and affairs of a corporation are managed by or under the direction of its board of directors. In exercising their powers, directors are charged with a fiduciary duty of care to protect the interests of the corporation and a fiduciary duty of loyalty to act in the best interests of its shareholders. The duty of care requires that directors act in an informed and deliberative manner and inform themselves, prior to making a business decision, of all material information reasonably available to them. The duty of | As a matter of Cayman Islands law, directors of Cayman Islands companies owe fiduciary duties to their respective companies to, amongst other things, act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfill the duties of their office honestly. Five core duties are:<br>• a duty to act in good faith in what the directors bona fide consider to be the best interests of the company (and in this regard, it should be noted that the duty is owed to the company and not to associate companies, subsidiaries or holding companies); |

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| | care also requires that directors exercise care in overseeing and investigating the conduct of the corporation's employees. The duty of loyalty may be summarized as the duty to act in good faith, not out of self-interest, and in a manner which the director reasonably believes to be in the best interests of the shareholders. | • a duty not to personally profit from opportunities that arise from the office of director;<br>• a duty of trusteeship of the company's assets;<br>• a duty to avoid conflicts of interest; and<br>• a duty to exercise powers for the purpose for which such powers were conferred.<br>A director of a Cayman Islands company also owes the company a duty to act with skill, care and diligence. A director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. |
| ***Limitations on Personal Liability of Directors*** | Subject to the limitations described below, a certificate of incorporation may provide for the elimination or limitation of the personal liability of a director to the corporation or its shareholders for monetary damages for a breach of fiduciary duty as a director.<br>Such provision cannot limit liability for breach of loyalty, bad faith, intentional misconduct, unlawful payment of dividends or unlawful share purchase or redemption. In addition, the certificate of incorporation cannot limit liability for any act or omission occurring prior to the date when such provision becomes effective. | The Companies Law has no equivalent provision to Delaware law regarding the limitation of director's liability. However, as a matter of public policy, Cayman Islands law will not allow the limitation of a director's liability to the extent that the liability is a consequence of the director committing a crime or of the director's own fraud, dishonesty or willful default. |
| ***Indemnification of Directors, Officers, Agents, and Others*** | A corporation has the power to indemnify any director, officer, employee, or agent of the corporation who was, is, or is threatened to be made a party who acted in good faith and in a manner he believed to be in the best interests of the corporation, and if with respect to a criminal proceeding, had no reasonable cause to believe his conduct would be unlawful, against amounts actually and reasonably incurred. | Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of directors and officers, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against the consequences of committing a crime, or against the indemnified person's own fraud or dishonesty. |
| ***Interested Directors*** | Under Delaware law, a transaction in which a director who has an interest is not void or | Our Articles contain a provision that prohibits a director from voting (or |

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| | voidable solely because such interested director is present at or participates in the meeting that authorizes the transaction if: (i) the material facts as to such interested director's relationship or interests are disclosed or are known to the board of directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum, (ii) such material facts are disclosed or are known to the shareholders entitled to vote on such transaction and the transaction is specifically approved in good faith by vote of the shareholders, or (iii) the transaction is fair as to the corporation as of the time it is authorized, approved or ratified. Under Delaware law, a director could be held liable for any transaction in which such director derived an improper personal benefit. | voting on behalf of another director) in respect of any transaction in which he or she is interested. |
| ***Voting Requirements*** | The certificate of incorporation may include a provision requiring supermajority approval by the directors or shareholders for any corporate action.<br><br>In addition, under Delaware law, certain business combinations involving interested shareholders require approval by a supermajority of the non-interested shareholders. | For the protection of shareholders, certain matters must be approved by special resolution of the shareholders as a matter of Cayman Islands law, including alteration of the memorandum or articles of association, appointment of inspectors to examine company affairs, reduction of share capital (subject, in relevant circumstances, to court approval), change of name, authorization of a plan of merger or transfer by way of continuation to another jurisdiction or consolidation or voluntary winding up of the company.<br><br>The Companies Law requires that a special resolution be passed by a super majority of at least two-thirds or such higher percentage as set forth in the articles of association, of shareholders being entitled to vote and do vote in person or by proxy at a general meeting, or by unanimous written consent of shareholders entitled to vote at a general meeting. However, our Articles do not permit resolutions of shareholders to be passed in writing in lieu of a general meeting. |
| ***Voting for Directors*** | Under Delaware law, unless otherwise specified in the certificate of | The Companies Law defines "special resolutions" only. A company's articles |

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| | incorporation or bylaws of the corporation, directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. | of association can therefore tailor the definition of "ordinary resolutions" as a whole, or with respect to specific provisions. Our Articles provide that the election of directors shall be subject to applicable listing rules. At a general meeting of election of directors, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director so elected. |
| ***Cumulative Voting*** | No cumulative voting for the election of directors unless so provided in the certificate of incorporation. | No cumulative voting for the election of directors unless so provided in the articles of association. Our Articles expressly provide for cumulative voting on the election of directors as described above. |
| ***Directors' Powers Regarding Bylaws*** | The certificate of incorporation may grant the directors the power to adopt, amend or repeal bylaws. | The memorandum and articles of association may only be amended by a special resolution of the shareholders. |
| ***Nomination and Removal of Directors and Filling Vacancies on Board*** | Shareholders may generally nominate directors if they comply with advance notice provisions and other procedural requirements in company bylaws. Holders of a majority of the shares may remove a director with or without cause, except in certain cases involving a classified board or if the company uses cumulative voting. Unless otherwise provided for in the certificate of incorporation, directorship vacancies are filled by a majority of the directors elected or then in office. | Nomination and removal of directors and filling of board vacancies are governed by the terms of the articles of association. Our Articles provide that only shareholders may elect directors by cumulative voting and may remove directors by Supermajority Resolution. |
| ***Mergers and Similar Arrangements*** | Under Delaware law, with certain exceptions, a merger, consolidation, exchange or sale of all or substantially all the assets of a corporation must be approved by the board of directors and a majority of the outstanding shares entitled to vote thereon. Under Delaware law, a shareholder of a corporation participating in certain major corporate transactions may, under certain | The Companies Law provides for the merger or consolidation of two or more companies into a single entity. The legislation makes a distinction between a "consolidation" and a "merger." In a consolidation, a new entity is formed from the combination of each participating company, and the separate consolidating parties, as a consequence, cease to exist and are each stricken by the |

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| circumstances, be entitled to appraisal rights pursuant to which such shareholder may receive cash in the amount of the fair value of the shares held by such shareholder (as determined by a court) in lieu of the consideration such shareholder would otherwise receive in the transaction. | Registrar of Companies. In a merger, one company remains as the surviving entity, having in effect absorbed the other merging parties that are then stricken and cease to exist. |
| Delaware law also provides that a parent corporation, by resolution of its board of directors, may merge with any subsidiary, of which it owns at least 90% of each class of capital stock without a vote by shareholders of such subsidiary. Upon any such merger, dissenting shareholders of the subsidiary would have appraisal rights. | Two or more Cayman-registered companies may merge or consolidate. Cayman-registered companies may also merge or consolidate with foreign companies provided that the laws of the foreign jurisdiction permit such merger or consolidation.<br><br>Under the new rules, a plan of merger or consolidation shall be authorized by each constituent company by way of (i) a special resolution of the members of each such constituent company; and (ii) such other authorization, if any, as may be specified in such constituent company's articles of association. Shareholder approval is not required where a parent company registered in the Cayman Islands seeks to merge with one or more of its subsidiaries registered in the Cayman Islands and a copy of the plan of merger is given to every member of each subsidiary company to be merged unless that member agrees otherwise.<br><br>Secured creditors must consent to the merger although application can be made to the Grand Court of the Cayman Islands for such requirement to be waived if such secured creditor does not grant its consent to the merger. Where a foreign company wishes to merge with a Cayman company, consent or approval to the transfer of any security interest granted by the foreign company to the resulting Cayman entity in the transaction is required, unless otherwise released or waived by the secured party. If the merger plan is approved, it is then filed with the Cayman Islands General Registry along with a declaration by a director of each company. The Registrar of Companies will then issue a certificate |

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| | of merger which shall be prima facie evidence of compliance with all requirements of the Companies Law in respect of the merger or consolidation.<br><br>The surviving or consolidated entity remains or becomes active while the other company or companies are automatically dissolved. Unless the shares of such shareholder are publicly listed or quoted, dissenting shareholders in a merger or consolidation of this type are entitled to payment of the fair value of their shares if such shareholder provides a written objection before the vote on such merger or consolidation. With respect to shares that are listed or quoted, a shareholder shall have similar rights only if it is required by the terms of the merger or consolidation to accept for such shares property other than (i) shares (or depositary receipts in respect thereof) in the surviving or consolidated company; (ii) listed or quoted shares (or depositary receipts in respect thereof) of another company; (iii) cash in lieu of any fractions of shares or depositary receipts described at (i) and (ii); or (iv) any combination of shares, depositary receipts or cash described in (i) — (iii).<br><br>Cayman companies may also be restructured or amalgamated under supervision of the Grand Court of the Cayman Islands by way of a court-sanctioned "scheme of arrangement." A scheme of arrangement is one of several transactional mechanisms available in the Cayman Islands for achieving a restructuring. Others include share capital exchange, merger (as described above), asset acquisition or control, through contractual arrangements, of an operating business. A scheme of arrangement must not be beyond the powers of the company, as stated in the constitutional documents of the company and also requires the approval of a majority, in number, of each class of shareholders and creditors with whom the arrangement is to be made and who must in addition represent three-fourths in value of each |

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| | such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at the meeting summoned for that purpose. The convening of the meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the Court its view that the transaction ought not be approved, the Court can be expected to approve the scheme of arrangement if it is satisfied that:<br>• the classes which are required to approve the scheme of arrangement have been properly constituted, so that the members of such classes are properly represented;<br>• the meetings held by the company in relation to the approval of the scheme of arrangement by such classes have been convened and held in accordance with any directions given by the Court;<br>• the scheme of arrangement has been properly explained to the shareholders or creditors so that they have been able to exercise an informed vote in respect of the scheme; the scheme of arrangement is one which an intelligent and honest man, who is a member of the relevant class and properly acting might approve.<br>When a takeover offer is made and accepted by holders of 90% of the shares within four months, the offeror may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection may be made to the Grand Court of the Cayman Islands but is unlikely to succeed unless there is evidence of fraud, bad faith or collusion. If the arrangement and reconstruction are thus approved, any dissenting shareholders would have no rights comparable to appraisal rights, which |

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| | | would otherwise ordinarily be available to dissenting shareholders of United States corporations, providing rights to receive payment in cash for the judicially determined value of the shares.<br><br>Our Articles provide that in the event of the resolutions with respect to a merger is approved in accordance with the laws of the Cayman Islands, any shareholder who has notified us in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may request us to purchase all of his shares at the then prevailing fair price. In the event any part of the company's business is spun off or involved in any merger, the shareholder, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request us to buy back all of his shares at the then prevailing fair price. In the event that we fail to reach such agreement with the shareholder within 60 days after the resolution date, the shareholder may, within 30 days after such 60-day period, file a petition to any competent court of ROC for a ruling on the appraisal price, and to the extent that the ruling is capable of enforcement and recognition in the relevant jurisdiction, such ruling by such ROC court shall be binding and conclusive as between us and requested shareholder solely with respect to the appraisal price. |
| ***Shareholder Suits*** | Class actions and derivative actions generally are available to shareholders under Delaware law for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court generally has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action. | The rights of shareholders under Cayman Islands law are not as extensive as those under Delaware law. Class actions are generally not available to shareholders under Cayman Islands laws; historically, there have not been any reported instances of such class actions having been successfully brought before the Cayman Islands courts. In principle, we will normally be the proper plaintiff and a derivative action may be brought by a minority shareholder in only limited circumstances. In this regard, the Cayman Islands courts would ordinarily |

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| | | be expected to follow English case law precedent, which would permit a shareholder to commence an action in the company's name to remedy a wrong done to the company where the act complained of cannot be ratified by the shareholders and where control of the company by the wrongdoer results in the company not pursuing a remedy itself. The case law shows that derivative actions have been permitted in respect of acts that are beyond the company's corporate power, illegal, where the individual rights of the plaintiff shareholder have been infringed or are about to be infringed and acts that are alleged to constitute a "fraud on the minority." The winning party in such an action generally would be able to recover a portion of attorney's fees incurred in connection with such action.<br><br>Our Articles provide that, subject to the laws of the Cayman Islands, any shareholder(s) holding three percent or more of the total number of our issued shares for a period of one year or a longer time shall have the right to submit a petition for and on behalf of us against our director(s), and the Taipei District Court, ROC, may be court of the first instance for this matter. |
| ***Inspection of Corporate Records*** | Under Delaware law, shareholders of a Delaware corporation have the right during normal business hours to inspect for any proper purpose, and to obtain copies of list(s) of shareholders and other books and records of the corporation and its subsidiaries, if any, to the extent the books and records of such subsidiaries are available to the corporation. | Shareholders of a Cayman Islands exempted company have no general right under Cayman Islands law to inspect or obtain copies of a list of shareholders or other corporate records (other than the register of mortgages or charges) of the company. However, these rights may be provided in the company's articles of association. |
| ***Shareholder Proposals*** | Unless provided in the corporation's certificate of incorporation or bylaws, Delaware law does not include a provision restricting the manner in which shareholders may bring business before a meeting. | The Companies Law does not provide shareholders any right to bring business before a meeting or requisition a general meeting. However, these rights may be provided in the company's articles of association. Our Articles do provide for these rights. |
| ***Approval of Corporate Matters by Written Consent*** | Delaware law permits shareholders to take action by written consent signed by the holders of outstanding shares having | The Companies Law allows a special resolution to be passed in writing if signed by all the voting shareholders (if authorized by the articles of association). |

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| | not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of shareholders. | Our Articles do not authorize such written consents. |
| ***Calling of Special Shareholders Meetings*** | Delaware law permits the board of directors or any person who is authorized under a corporation's certificate of incorporation or bylaws to call a special meeting of shareholders. | The Companies Law does not have provisions governing the proceedings of shareholders meetings which are usually provided in the articles of association.<br><br>Our Articles allow for shareholders' meetings to be convened on the requisition in writing of any shareholder or shareholders holding at least three percent of the issued voting share capital for one year or longer, subject to certain procedural requirements. |

**Stock Exchange Listing**

We intend to apply to list our ADSs on The Nasdaq Global Market under the symbol "ASLN."

**Transfer Agent and Registrar**

Upon the closing of the U.S. offering, the transfer agent and registrar for the ADSs will be JPMorgan Chase Bank, N.A. Our share register is currently maintained by KGI Stock Service Agent. The share register reflects only record owners of our ordinary shares. Holders of our ADSs will not be treated as one of our shareholders and their names will therefore not be entered in our share register. The depositary, the custodian or their nominees will be the holder of the shares underlying our ADSs. For further discussion on our ADSs and ADS holder rights, see "Description of American Depositary Shares" in this prospectus.

## DESCRIPTION OF AMERICAN DEPOSITARY SHARES

### American Depositary Shares

JPMorgan Chase Bank, N.A., has agreed to act as the depositary for the ADSs. JPMorgan Chase Bank, N.A.'s depositary offices are located at 4 New York Plaza, Floor 12, New York, NY, 10004. ADSs represent ownership interests in securities that are on deposit with the depositary. ADSs may be represented by certificates that are commonly known as ADRs. The depositary typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is .

We have appointed JPMorgan Chase Bank, N.A. as depositary pursuant to a deposit agreement. We intend to file a registration statement on Form F-6 to register the issuance of the ADSs offered hereby. You may obtain a copy of the deposit agreement from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and from the SEC's website (www.sec.gov). Please refer to registration number 333- when retrieving such copy.

We are providing you with a summary description of the material terms of the ADSs and of your material rights as an owner of ADSs. Please remember that summaries by their nature lack the precision of the information summarized and that the rights and obligations of an owner of ADSs will be determined by reference to the terms of the deposit agreement and not by this summary. We urge you to review the deposit agreement in its entirety. The portions of this summary that are italicized describe matters that may be relevant to ownership of ADSs but may not be contained in the deposit agreement.

Each ADS represents the right to receive, and to exercise the beneficial ownership interests in, ordinary shares that are on deposit with the depositary and/or custodian. An ADS also represents the right to receive, and to exercise the beneficial interests in, any other property received by the depositary or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations. We and the depositary may agree to change the ADS-to-ordinary share ratio by amending the deposit agreement. This amendment may give rise to, or change, the depositary fees payable by ADS owners. The custodian, the depositary and their respective nominees will hold all deposited property for the benefit of the holders and beneficial owners of ADSs. The deposited property does not constitute the proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in the deposited property will under the terms of the deposit agreement be vested in the beneficial owners of the ADSs. The depositary, the custodian and their respective nominees will be the record holders of the deposited property represented by the ADSs for the benefit of the holders and beneficial owners of the corresponding ADSs. A beneficial owner of ADSs may or may not be the holder of ADSs. Beneficial owners of ADSs will be able to receive, and to exercise beneficial ownership interests in, the deposited property only through the registered holders of the ADSs, the registered holders of the ADSs (on behalf of the applicable ADS owners) only through the depositary, and the depositary (on behalf of the owners of the corresponding ADSs) directly, or indirectly, through the custodian or their respective nominees, in each case upon the terms of the deposit agreement.

If you become an owner of ADSs, you will become a party to the deposit agreement and therefore will be bound to its terms and to the terms of any ADR that represents your ADSs. The deposit agreement and the ADR specify our rights and obligations as well as your rights and obligations as owner of ADSs and those of the depositary. As an ADS holder you appoint the depositary to act on your behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of ordinary shares will continue to be governed by the laws of Taiwan and the Cayman Islands, which may be different from the laws of the United States.

In addition, applicable laws and regulations may require you to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. You are solely responsible for complying with such reporting requirements and obtaining such approvals. Neither the depositary, the custodian, us or any of their or our respective agents or affiliates shall be required to take any actions whatsoever on your behalf to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

The manner in which you own ADSs (e.g., in brokerage account vs. as registered holder, or as holder of certificated vs. uncertificated) may affect your rights and obligations, and the manner in which the depositary's services are made available to you. As an owner of ADSs, we will not treat you as one of our shareholders and you will not have direct shareholder rights. The depositary will hold on your behalf the shareholder rights attached to the ordinary shares underlying your ADSs. As an owner of ADSs you will be able to exercise the shareholders rights for the ordinary shares represented by your ADSs through the depositary only to the extent contemplated in the deposit agreement. To exercise any shareholder rights not contemplated in the deposit agreement you will, as an ADS owner, need to arrange for the cancellation of your ADSs and become a direct shareholder.

As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary in your name reflecting the registration of uncertificated ADSs directly on the books of the depositary (commonly referred to as the direct registration system, or DRS). The direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the depositary. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary to the holders of the ADSs. The direct registration system includes automated transfers between the depositary and the Depository Trust Company, the central book-entry clearing and settlement system for equity securities in the United States. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as ADS owner. Banks and brokers typically hold securities such as the ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All ADSs held through DTC will be registered in the name of a nominee of DTC. This summary description assumes you have opted to own the ADSs directly by means of an ADS registered in your name and, as such, we will refer to you as the "holder." When we refer to "you," we assume the reader owns ADSs and will own ADSs at the relevant time.

The registration of the ordinary shares in the name of the depositary or the custodian shall, to the maximum extent permitted by applicable law, vest in the depositary or the custodian the record ownership in the applicable ordinary shares with the beneficial ownership rights and interests in such ordinary shares being at all times vested with the beneficial owners of the ADSs representing the ordinary shares. The depositary or the custodian shall at all times be entitled to exercise the beneficial ownership rights in all deposited property, in each case only on behalf of the holders and beneficial owners of the ADSs representing the deposited property.

**Dividends and Other Distributions**

As a holder of ADSs, you generally have the right to receive the distributions we make on the securities deposited with the custodian. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders of ADSs will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of the specified record date, after deduction the applicable fees, taxes and expenses.

***Distributions of Cash***

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds, the depositary will arrange for the funds to be converted into U.S. dollars and for the distribution of the U.S. dollars to the holders of ADSs, subject to the laws and regulations of Taiwan and the Cayman Islands.

The conversion into U.S. dollars will take place only if practicable and if the U.S. dollars are transferable to the United States. The depositary will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. The depositary will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States.

***Distributions of Shares***

Whenever we make a free distribution of ordinary shares for the securities on deposit with the custodian, we will deposit the applicable number of ordinary shares with the custodian. Upon receipt of confirmation of such deposit, the depositary will either distribute to holders new ADSs representing the ordinary shares deposited or modify the ADS-to-ordinary shares ratio, in which case each ADS you hold will represent rights and interests in the additional ordinary shares so deposited. Only whole new ADSs will be distributed. Fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of the ADS-to-ordinary share ratio upon a distribution of ordinary shares will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depositary may sell all or a portion of the new ordinary shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (e.g., the U.S. securities laws) or if it is not operationally practicable. If the depositary does not distribute new ADSs as described above, it may sell the ordinary shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

***Distributions of Rights***

Whenever we intend to distribute rights to purchase additional ordinary shares, we will give prior notice to the depositary and we will assist the depositary in determining whether it is lawful and reasonably practicable to distribute rights to purchase additional ADSs to holders.

The depositary will establish procedures to distribute rights to purchase additional ADSs to holders and to enable such holders to exercise such rights if it is lawful and reasonably practicable to make the rights available to holders of ADSs, and if we provide all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). You may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of your rights. The depositary is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to purchase new ordinary shares other than in the form of ADSs.

The depositary will not distribute the rights to you if:

- we do not timely request that the rights be distributed to you or we request that the rights not be distributed to you;
- we fail to deliver satisfactory documents to the depositary; or
- it is not reasonably practicable to distribute the rights.

The depositary will sell the rights that are not exercised or not distributed if such sale is lawful and reasonably practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depositary is unable to sell the rights, it will allow the rights to lapse.

***Elective Distributions***

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depositary and will indicate whether we wish the elective

distribution to be made available to you. In such case, we will assist the depositary in determining whether such distribution is lawful and reasonably practicable.

The depositary will make the election available to you only if it is reasonably practicable and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary will establish procedures to enable you to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to you, you will receive either cash or additional ADSs, depending on what a shareholder in Taiwan would receive upon failing to make an election, as more fully described in the deposit agreement.

***Other Distributions***

Whenever we intend to distribute property other than cash, ordinary shares or rights to purchase additional ordinary shares, we will notify the depositary in advance and will indicate whether we wish such distribution to be made to you. If so, we will assist the depositary in determining whether such distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute such property to you and if we provide all of the documentation contemplated in the deposit agreement, the depositary will distribute the property to the holders of ADSs in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary may sell all or a portion of the property received.

The depositary will *not* distribute the property to you and will sell the property if:

- we do not request that the property be distributed to you or if we ask that the property not be distributed to you;
- we do not deliver satisfactory documents to the depositary; or
- the depositary determines that all or a portion of the distribution to you is not reasonably practicable.

The proceeds of such a sale will be distributed to holders as in the case of a cash distribution.

***Redemption***

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the depositary in advance. If it is practicable and if we provide all of the documentation contemplated in the deposit agreement, the depositary will provide notice of the redemption to the holders of ADSs.

The custodian will be instructed to surrender the shares being redeemed against payment of the applicable redemption price. The depositary will convert the redemption funds received into U.S. dollars upon the terms of the deposit agreement and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary. You may have to pay fees, expenses, taxes and other governmental charges upon the redemption of your ADSs. If less than all ADSs are being redeemed, the ADSs to be retired will be selected by lot or on a pro rata basis, as the depositary may determine.

**Changes Affecting Ordinary Shares**

The ordinary shares held on deposit for your ADSs may change from time to time. For example, there may be a change in nominal or par value, split-up, cancellation, consolidation or any other reclassification of such ordinary shares or a recapitalization, reorganization, merger, consolidation or sale of assets of our company.

If any such change were to occur, your ADSs would, to the extent permitted by law, represent the right to receive the property received or exchanged in respect of the ordinary shares held on deposit. The depositary may in such circumstances deliver new ADSs to you, amend the deposit agreement, the ADRs and the applicable Registration Statement(s) on Form F-6, call for the exchange of your existing ADSs for new ADSs and take any other actions that are appropriate to reflect as to the ADSs the change affecting the ordinary shares. If the depositary may not lawfully distribute such property to you, the depositary may sell such property and distribute the net proceeds to you as in the case of a cash distribution.

**Issuance of ADSs Upon Deposit of Ordinary Shares**

Upon completion of this offering, the ordinary shares being offered pursuant to this prospectus will be deposited by us with the custodian. Upon receipt of confirmation of such deposit, the depositary will issue ADSs to the underwriters named in this prospectus.

After the closing of this offering, the depositary may create ADSs on your behalf if you or your broker deposit ordinary shares with the custodian. The depositary will deliver these ADSs to the person you indicate only after you pay any applicable issuance fees and any charges and taxes payable for the transfer of the ordinary shares to the custodian. Your ability to deposit ordinary shares and receive ADSs may be limited by United States and Taiwan legal considerations applicable at the time of deposit. As of the date of this prospectus, we have received approval by Taiwan regulators to permit additional ordinary shares to be deposited into the depositary for the creation of additional ADSs.

The issuance of ADSs may be delayed until the depositary or the custodian receives confirmation that all required approvals have been given and that the ordinary shares have been duly transferred to the custodian. The depositary will only issue ADSs in whole numbers.

When you make a deposit of ordinary shares, you will be responsible for transferring good and valid title to the depositary. As such, you will be deemed to represent and warrant that:

- the ordinary shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained;
- all preemptive (and similar) rights, if any, with respect to such ordinary shares have been validly waived or exercised;
- you are duly authorized to deposit the ordinary shares;
- the ordinary shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and the ADSs issuable upon such deposit will not be, “restricted securities” (as defined in the deposit agreement);
- the ordinary shares presented for deposit have not been stripped of any rights or entitlements; and
- the deposit of shares does not violate any applicable provision of ROC law.

If any of the representations or warranties are incorrect in any way, we and the depositary may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

**Transfer, Combination and Split Up of ADRs**

As an ADR holder, you will be entitled to transfer, combine or split up your ADRs and the ADSs evidenced thereby. For transfers of ADRs, you will have to surrender the ADRs to be transferred to the depositary and also must:

- ensure that the surrendered ADR is properly endorsed or otherwise in proper form for transfer;
- provide such proof of identity and genuineness of signatures as the depositary deems appropriate;

- provide any transfer stamps required by the State of New York or the United States; and
- pay all applicable fees, charges, expenses, taxes and other government charges payable by ADR holders pursuant to the terms of the deposit agreement, upon the transfer of ADRs.

To have your ADRs either combined or split up, you must surrender the ADRs in question to the depositary with your request to have them combined or split up, and you must pay all applicable fees, charges and expenses payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

**Withdrawal of Ordinary Shares Upon Cancellation of ADSs**

As a holder, you will be entitled to present your ADSs to the depositary for cancellation and then receive the corresponding number of underlying ordinary shares at the custodian's offices. Your ability to withdraw the ordinary shares held in respect of the ADSs may be limited by U.S. and Taiwan considerations applicable at the time of withdrawal. In order to withdraw the ordinary shares represented by your ADSs, you will be required to pay to the depositary the fees for cancellation of ADSs and any charges and taxes payable upon the transfer of the ordinary shares. You assume the risk for delivery of all funds and securities upon withdrawal. Once canceled, the ADSs will not have any rights under the deposit agreement.

If you hold ADSs registered in your name, the depositary may ask you to provide proof of identity and genuineness of any signature and such other documents as the depositary may deem appropriate before it will cancel your ADSs. The withdrawal of the ordinary shares represented by your ADSs may be delayed until the depositary receives satisfactory evidence of compliance with all applicable laws and regulations. Please keep in mind that the depositary will only accept ADSs for cancellation that represent a whole number of securities on deposit.

You will have the right to withdraw the securities represented by your ADSs at any time except as a result of:

- temporary delays that may arise because (i) the transfer books for the ordinary shares or ADSs are closed, or (ii) ordinary shares are immobilized on account of a shareholders' meeting or a payment of dividends;
- obligations to pay fees, taxes and similar charges; and/or
- restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit.

The deposit agreement may not be modified to impair your right to withdraw the securities represented by your ADSs except to comply with mandatory provisions of law.

**Form and Taiwan Share Issuance Procedure**

On the Closing Date, we will deliver a certificate of payment, or the Certificate of Payment, evidencing the right to receive underlying ordinary shares to , as custodian, for JPMorgan Chase Bank, N.A., as the depositary, which in turn will deliver the ADSs.

No later than the second business day in Taiwan following the Closing Date, we will make a filing with the TPEx for listing of certificates of payment in scripless form, or the Scripless Certificates of Payment, in respect of the underlying ordinary shares. It is expected that the listing of the Scripless Certificates of Payment will take place around the ninth business day in Taiwan following the Closing Date, or the Share Listing Date. Immediately upon such listing and the credit of the number of ordinary shares as represented by the Scripless Certificates of Payment into the depositary's account with the custodian through the book-entry system maintained by the Taiwan Depository & Clearing Corporation, or the TDCC, the Certificate of Payment we delivered to the

custodian on the Closing Date will be replaced by the Scripless Certificates of Payment. Except where the context otherwise requires, during the period immediately prior to the Share Listing Date those references shall be deemed as references to the Certificate of Payment initially delivered to the custodian.

Interests in the Scripless Certificates of Payment, without physical certificates and maintained in the book-entry settlement system, carry the same rights as those attaching to the ordinary shares and are eligible for trading on the TPEx in the same manner as ordinary shares. Delivery of the irrevocable right to receive the underlying withdrawn ordinary shares, evidenced by the Scripless Certificates of Payment, will only be made by the custodian through the book-entry system maintained by the TDCC.

We will issue and deliver the underlying ordinary shares (registered in the name of the depositary or its nominee) to the custodian in scripless form in respect of the Scripless Certificates of Payment on or about 60 to 80 calendar days after the Closing Date, subject to completion of the company registration for the capital increase and the requisite filing with the TPEx.

**Voting Rights**

As a holder, you generally have the right under the deposit agreement to instruct the depositary to exercise the voting rights for the ordinary shares represented by your ADSs. The voting rights of holders of ordinary shares are described in "Description of Share Capital and Governing Documents—Fifth Amended and Restated Memorandum and Articles of Association" in this prospectus.

At our request, the depositary will distribute to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary to exercise the voting rights of the securities represented by ADSs. In lieu of distributing such materials, the depositary may distribute to holders of ADSs instructions on how to receive such materials upon request.

If the depositary timely receives voting instructions from a holder of ADSs, it will endeavor to vote (or cause the custodian to vote) the securities (in person or by proxy) represented by the holder's ADSs as follows:

- **If voting at the shareholders' meeting is by show of hands:** The depositary will vote (or cause the custodian to vote) all the securities represented by ADSs in accordance with the voting instructions received from a majority of the ADS holders of provided voting instructions; and
- **If voting at the shareholders' meeting is by poll:** The depositary will vote (or cause the custodian to vote) the securities represented by ADSs in accordance with the voting instructions received from the ADS holders of provided voting instructions.

Securities for which no voting instructions have been received will not be voted (except as otherwise contemplated herein). Please note that the ability of the depositary to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depositary in a timely manner.

**Fees and Charges**

As an ADS holder, you will be required to pay the following fees under the terms of the deposit agreement:

| Service | Fee |
|---|---|
| Issuance of ADSs (e.g., an issuance of ADS upon a deposit of ordinary shares or upon a change in the ADS(s)-to-ordinary shares ratio), excluding ADS issuances as a result of distributions of ordinary shares | Up to $0.05 per ADS issued |

| Service | Fee |
|---|---|
| Cancellation of ADSs (e.g., a cancellation of ADSs for delivery of deposited property or upon a change in the ADS(s)-to-ordinary shares ratio) | Up to $0.05 per ADS cancelled |
| Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements) | Up to $0.05 per ADS held |
| Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs | Up to $0.05 per ADS held |
| Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., upon a spin-off) | Up to $0.05 per ADS held |
| ADS Services | Up to $0.05 per ADS held on the applicable record date(s) established by the depositary |

As an ADS holder you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges, including but not limited to any charged owed to the Taiwan tax authority as described below;
- the registration fees as may from time to time be in effect for the registration of ordinary shares on the share register and applicable to transfers of ordinary shares to or from the name of the custodian, the depositary or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the expenses and charges incurred by the depositary in the conversion of foreign currency;
- the fees and expenses incurred by the depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, ADSs and ADRs; and
- the fees and expenses incurred by the depositary, the custodian, or any nominee in connection with the servicing or delivery of deposited property.

As an ADS holder, you will also be responsible to pay any required charges to the Taiwan tax authority, which are subject to change. As of the date hereof, the charges may include:

| Service | Fee |
|---|---|
| Issuance of ADSs upon a deposit of ordinary shares | 0.3% of the aggregate price of ADS issued |
| Withdrawal of ordinary shares upon cancellation of ADSs | 0.3% of the aggregate price of ADS canceled |
| Sale of ordinary shares on the Taiwan Exchange | 0.3% of the aggregate price of ordinary shares sold |

ADS fees and charges payable upon (i) the issuance of ADSs and (ii) the cancellation of ADSs are charged to the person to whom the ADSs are issued (in the case of ADS issuances) and to the person whose ADSs are cancelled (in the case of ADS cancellations). In the case of ADSs issued by the depositary into DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs being issued or the DTC participant(s) holding the ADSs being cancelled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of

the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs.

In the event of refusal to pay the depositary fees, the depositary may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder. Certain of the depositary fees and charges (such as the ADS services fee) may become payable shortly after the closing of the ADS offering. Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. You will receive prior notice of such changes. The depositary may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary agree from time to time.

**Amendments and Termination**

We may agree with the depositary to modify the deposit agreement at any time without your consent. We undertake to give holders 30 days' prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to your substantial rights any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges you are required to pay. In addition, we may not be able to provide you with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

You will be bound by the modifications to the deposit agreement if you continue to hold your ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent you from withdrawing the ordinary shares represented by your ADSs (except as permitted by law).

We have the right to direct the depositary to terminate the deposit agreement. Similarly, the depositary may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depositary must give notice to the holders at least 30 days before termination. Until termination, your rights under the deposit agreement will be unaffected.

**Termination**

After termination, the depositary will continue to collect distributions received (but will not distribute any such property until you request the cancellation of your ADSs) and may sell the securities held on deposit. After the sale, the depositary will hold the proceeds from such sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At that point, the depositary will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

**Books of Depositary**

The depositary will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the deposit agreement.

The depositary will maintain in New York facilities to record and process the issuance, cancellation, combination, split-up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

**Transmission of Notices, Reports and Proxy Soliciting Material**

The depositary will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. Subject to the terms of the deposit agreement, the depositary will send you copies of those communications or otherwise make those communications available to you if we ask it to.

**Limitations on Obligations and Liabilities**

The deposit agreement limits our obligations and the depositary's obligations to you. Please note the following:

- We and the depositary are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depositary disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the deposit agreement.
- The depositary disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in ordinary shares, for the validity or worth of the ordinary shares, for any tax consequences that result from the ownership of ADSs, for the credit-worthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for our failure to give notice.
- We and the depositary will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary disclaim any liability if we or the depositary are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of our Articles, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depositary disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our Articles or in any provisions of or governing the securities on deposit.
- We and the depositary further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting ordinary shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of ordinary shares but is not, under the terms of the deposit agreement, made available to you.
- We and the depositary may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.
- We and the depositary also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.
- No disclaimer of any Securities Act liability is intended by any provision of the deposit agreement.

Nothing in the deposit agreement gives rise to a partnership or joint venture, or establishes a fiduciary relationship, among us, the depositary bank and you as ADS holder.

Nothing in the deposit agreement precludes JPMorgan Chase Bank, N.A. (or its affiliates) from engaging in transactions in which parties adverse to us or the ADS owners have interests, and nothing in the deposit agreement obligates JPMorgan Chase Bank, N.A. to disclose those transactions, or any information obtained in the course of those transactions, to us or to the ADS owners, or to account for any payment received as part of those transactions.

**Pre-Release Transactions**

Subject to the terms and conditions of the deposit agreement, the depositary may issue to broker/dealers ADSs before receiving a deposit of ordinary shares or release ordinary shares to broker/dealers before receiving ADSs for cancellation. These transactions are commonly referred to as "pre-release transactions," and are entered into between the depositary and the applicable broker/dealer. The deposit agreement limits the aggregate size of pre-release transactions (not to exceed % of the ordinary shares on deposit in the aggregate) and imposes a number of conditions on such transactions (e.g., the need to receive collateral, the type of collateral required, the representations required from brokers, etc.). The depositary may retain the compensation received from the pre-release transactions.

**Taxes**

You will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary may refuse to issue ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary and to the custodian proof of taxpayer status and residence and such other information as the depositary and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

**Foreign Currency Conversion**

The depositary will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary may take the following actions in its discretion:

- Convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical.
- Distribute the foreign currency to holders for whom the distribution is lawful and practical.
- Hold the foreign currency (without liability for interest) for the applicable holders.

**Governing Law/Waiver of Jury Trial**

The deposit agreement and the ADRs will be interpreted in accordance with the laws of the State of New York.

AS A PARTY TO THE DEPOSIT AGREEMENT, YOU IRREVOCABLY WAIVE YOUR RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF THE DEPOSIT AGREEMENT OR THE ADRs AGAINST US AND/OR THE DEPOSITARY.

## ORDINARY SHARES AND ADSs ELIGIBLE FOR FUTURE SALE

Prior to this offering, while our ordinary shares have been traded on the TPEx since June 2017, there has been no public market in the United States for our ADSs or our ordinary shares. Future sales of ADSs in the public market after this offering, and the availability of ADSs for future sale, could adversely affect the market price of the ADSs prevailing from time to time. Some of our ordinary shares are subject to contractual and legal restrictions on resale as described below. There may be sales of substantial amounts of our ADSs or ordinary shares in the public market after such restrictions lapse, which could adversely affect prevailing market prices of our ADSs.

We expect all ADSs sold in this offering will be freely transferable without restriction. See "—Lock-up Agreements" below for information regarding restrictions on the transfer of our ordinary shares after this offering.

### Rule 144

In general, persons who have beneficially owned restricted ordinary shares for at least six months, and any affiliate of the company who owns either restricted or unrestricted securities, are entitled to sell their securities without registration with the SEC under an exemption from registration provided by Rule 144 under the Securities Act.

*Non-Affiliates*

Any person who is not deemed to have been one of our affiliates at the time of, or at any time during the three months preceding, a sale may sell an unlimited number of restricted securities under Rule 144 if:

- the restricted securities have been held for at least six months, including the holding period of any prior owner other than one of our affiliates;
- we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale; and
- we are current in our Exchange Act reporting at the time of sale.

Any person who is not deemed to have been an affiliate of ours at the time of, or at any time during the three months preceding, a sale and has held the restricted securities for at least one year, including the holding period of any prior owner other than one of our affiliates, will be entitled to sell an unlimited number of restricted securities without regard to the length of time we have been subject to Exchange Act periodic reporting or whether we are current in our Exchange Act reporting.

*Affiliates*

Persons seeking to sell restricted securities who are our affiliates at the time of, or any time during the three months preceding, a sale, would be subject to the restrictions described above. They are also subject to additional restrictions, by which such person would be required to comply with the manner of sale and notice provisions of Rule 144 and would be entitled to sell within any three-month period only that number of securities that does not exceed the greater of either of the following:

- 1% of the number of ordinary shares then outstanding, which will equal approximately shares immediately after the closing of this offering based on the number of ordinary shares outstanding as of , 2018; or
- the average weekly trading volume of our ordinary shares in the form of ADSs on The Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Additionally, persons who are our affiliates at the time of, or any time during the three months preceding, a sale may sell unrestricted securities under the requirements of Rule 144 described above, without regard to the six-month holding period of Rule 144, which does not apply to sales of unrestricted securities.

**Rule 701**

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares. However, the Rule 701 shares held by our executive officers and directors are subject to lock-up agreements as described below and in the section of this prospectus titled “Underwriting” and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

**Regulation S**

Regulation S provides generally that sales made in offshore transactions are not subject to the registration or prospectus-delivery requirements of the Securities Act.

**Lock-up Agreements**

Our directors, representatives of our entity directors and executive officers and other holders of an aggregate of approximately of our ordinary shares, or % of our outstanding ordinary shares, have agreed, subject to limited exceptions, not to offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our ADSs, ordinary shares or such other securities for a period of 180 days after the date of this prospectus, without the prior written consent of Leerink Partners LLC and Piper Jaffray & Co. See “Underwriting.”

## MATERIAL INCOME TAX CONSIDERATIONS

### Material U.S. Federal Income Tax Considerations for U.S. Holders

The following discussion describes the material U.S. federal income tax consequences relating to the ownership and disposition of our ordinary shares or ADSs by U.S. Holders (as defined below). This discussion applies to U.S. Holders that purchase our ADSs pursuant to this offering and hold such ADSs as capital assets. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, U.S. Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to specific U.S. Holders in light of their particular circumstances or to U.S. Holders subject to special treatment under U.S. federal income tax law (such as certain financial institutions, insurance companies, dealers or traders in securities or other persons that generally mark their securities to market for U.S. federal income tax purposes, tax-exempt entities or governmental organizations, retirement plans, regulated investment companies, real estate investment trusts, grantor trusts, brokers, dealers or traders in securities, commodities, currencies or notional principal contracts, certain former citizens or long-term residents of the United States, persons who hold our ordinary shares or ADSs as part of a “straddle,” “hedge,” “conversion transaction,” “synthetic security” or integrated investment, persons that have a “functional currency” other than the U.S. dollar, persons that own directly, indirectly or through attribution 10% or more of the voting power of our ordinary shares, corporations that accumulate earnings to avoid U.S. federal income tax, partnerships and other pass-through entities, and investors in such pass-through entities). This discussion does not address any U.S. state or local or non-U.S. tax consequences or any U.S. federal estate, gift or alternative minimum tax consequences.

As used in this discussion, the term “U.S. Holder” means a beneficial owner of our ordinary shares or ADSs who is, for U.S. federal income tax purposes, (1) an individual who is a citizen or resident of the United States, (2) a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income tax regardless of its source or (4) a trust (x) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions or (y) that has elected under applicable U.S. Treasury regulations to be treated as a domestic trust for U.S. federal income tax purposes.

If an entity treated as a partnership for U.S. federal income tax purposes holds our ordinary shares or ADSs, the U.S. federal income tax consequences relating to an investment in such ordinary shares or ADSs will depend in part upon the status and activities of such entity and the particular partner. Any such entity should consult its own tax advisor regarding the U.S. federal income tax consequences applicable to it and its partners of the purchase, ownership and disposition of our ordinary shares or ADSs.

Persons considering an investment in our ADSs should consult their own tax advisors as to the particular tax consequences applicable to them relating to the purchase, ownership and disposition of our ADSs, including the applicability of U.S. federal, state and local tax laws and non-U.S. tax laws.

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. Generally, a holder of an ADS should be treated for U.S. federal income tax purposes as holding the ordinary shares represented by the ADS. Accordingly, no gain or loss will be recognized upon an exchange of ADSs for the underlying ordinary shares represented by such ADSs. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security. Accordingly, the creditability of foreign taxes, if any, as described below, could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs and our company if as a result of such actions the holders of ADSs are not properly treated as beneficial owners of the underlying ordinary shares.

***Passive Foreign Investment Company Consequences***

In general, a corporation organized outside the United States will be treated as a passive foreign investment company, or PFIC, for any taxable year in which either (1) at least 75% of its gross income is "passive income" (the "PFIC income test"), or (2) on average at least 50% of its assets, determined on a quarterly basis, are assets that produce passive income or are held for the production of passive income (the "PFIC asset test"). Passive income for this purpose generally includes, among other things, dividends, interest, royalties, rents, and gains from the sale or exchange of property that gives rise to passive income. Assets that produce or are held for the production of passive income generally include cash, even if held as working capital or raised in a public offering, marketable securities, and other assets that may produce passive income. Generally, in determining whether a non-U.S. corporation is a PFIC, a proportionate share of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Although PFIC status is determined on an annual basis and generally cannot be determined until the end of the taxable year, based on the nature of our current and expected income and the current and expected value and composition of our assets, we expect to be a PFIC for our current taxable year. Because our income for the next several taxable years is expected to consist principally of interest from cash and cash equivalents received in this offering, we believe that we likely will be a PFIC under the PFIC income test in future taxable years as well. In part, because we may hold a substantial amount of cash and cash equivalents following this offering, and because the calculation of the value of our assets after this offering may be based in part on the value of our ordinary shares or ADSs, which may fluctuate considerably, we believe we may also be a PFIC in future taxable years under the PFIC asset test. Even if we determine that we are not a PFIC for a taxable year, there can be no assurance that the Internal Revenue Service, or IRS, will agree with our conclusion and that the IRS would not successfully challenge our position.

If we are a PFIC in any taxable year during which a U.S. Holder owns our ordinary shares or ADSs, the U.S. Holder could be liable for additional taxes and interest charges under the "PFIC excess distribution regime" upon (1) a distribution paid during a taxable year that is greater than 125% of the average annual distributions paid in the three preceding taxable years, or, if shorter, the U.S. Holder's holding period for our ordinary shares or ADSs, and (2) any gain recognized on a sale, exchange or other disposition, including a pledge, of our ordinary shares or ADSs, whether or not we continue to be a PFIC. Under the PFIC excess distribution regime, the tax on such distribution or gain would be determined by allocating the distribution or gain ratably over the U.S. Holder's holding period for our ordinary shares or ADSs. The amount allocated to the current taxable year (i.e., the year in which the distribution occurs or the gain is recognized) and any year prior to the first taxable year in which we are a PFIC will be taxed as ordinary income earned in the current taxable year. The amount allocated to other taxable years will be taxed at the highest marginal rates in effect for individuals or corporations, as applicable, to ordinary income for each such taxable year, and an interest charge, generally applicable to underpayments of tax, will be added to the tax.

If we are a PFIC for any year during which a U.S. Holder holds our ordinary shares or ADSs, we must generally continue to be treated as a PFIC by that holder for all succeeding years during which the U.S. Holder holds such ordinary shares or ADSs, unless we cease to meet the requirements for PFIC status and the U.S. Holder makes a "deemed sale" election with respect to our ordinary shares or ADSs. If the election is made, the U.S. Holder will be deemed to sell our ordinary shares or ADSs it holds at their fair market value on the last day of the last taxable year in which we qualified as a PFIC, and any gain recognized from such deemed sale would be taxed under the PFIC excess distribution regime. After the deemed sale election, the U.S. Holder's ordinary shares or ADSs would not be treated as shares of a PFIC unless we subsequently become a PFIC.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ordinary shares or ADSs and one of our non-United States subsidiaries is also a PFIC (i.e., a lower-tier PFIC), such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC and would be taxed under the PFIC excess distribution regime on distributions by the lower-tier PFIC and on gain from the disposition of

shares of the lower-tier PFIC even though such U.S. Holder would not receive the proceeds of those distributions or dispositions. Any of our non-United States subsidiaries that have elected to be disregarded as entities separate from us or as partnerships for U.S. federal income tax purposes would not be corporations under U.S. federal income tax law and accordingly, cannot be classified as lower-tier PFICs. However, non-United States subsidiaries that have not made the election may be classified as a lower-tier PFIC if we are a PFIC during your holding period and the subsidiary meets the PFIC income test or PFIC asset test. Each U.S. Holder is advised to consult its tax advisors regarding the application of the PFIC rules to any of our non-United States subsidiaries.

If we are a PFIC, a U.S. Holder will not be subject to tax under the PFIC excess distribution regime on distributions or gain recognized on our ordinary shares or ADSs if a valid "mark-to-market" election is made by the U.S. Holder for our ordinary shares or ADSs. An electing U.S. Holder generally would take into account as ordinary income each year, the excess of the fair market value of our ordinary shares or ADSs held at the end of such taxable year over the adjusted tax basis of such ordinary shares or ADSs. The U.S. Holder would also take into account, as an ordinary loss each year, the excess of the adjusted tax basis of such ordinary shares or ADSs over their fair market value at the end of the taxable year, but only to the extent of the excess of amounts previously included in income over ordinary losses deducted as a result of the mark-to-market election. The U.S. Holder's tax basis in our ordinary shares or ADSs would be adjusted to reflect any income or loss recognized as a result of the mark-to-market election. Any gain from a sale, exchange or other disposition of our ordinary shares or ADSs in any taxable year in which we are a PFIC would be treated as ordinary income and any loss from such sale, exchange or other disposition would be treated first as ordinary loss (to the extent of any net mark-to-market gains previously included in income) and thereafter as capital loss. If, after having been a PFIC for a taxable year, we cease to be classified as a PFIC because we no longer meet the PFIC income or PFIC asset test, the U.S. Holder would not be required to take into account any latent gain or loss in the manner described above and any gain or loss recognized on the sale or exchange of the ordinary shares or ADSs would be classified as a capital gain or loss.

A mark-to-market election is available to a U.S. Holder only for "marketable stock." Generally, stock will be considered marketable stock if it is "regularly traded" on a "qualified exchange" within the meaning of applicable U.S. Treasury regulations. A class of stock is regularly traded during any calendar year during which such class of stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter.

Our ADSs will be marketable stock as long as they remain listed on The Nasdaq Global Market and are regularly traded. A mark-to-market election will not apply to the ordinary shares or ADSs for any taxable year during which we are not a PFIC, but will remain in effect with respect to any subsequent taxable year in which we become a PFIC. Such election will not apply to any of our non-U.S. subsidiaries. Accordingly, a U.S. Holder may continue to be subject to tax under the PFIC excess distribution regime with respect to any lower-tier PFICs notwithstanding the U.S. Holder's mark-to-market election for the ordinary shares or ADSs.

The tax consequences that would apply if we are a PFIC would also be different from those described above if a U.S. Holder were able to make a valid qualified electing fund, or QEF, election. As we do not expect to provide U.S. Holders with the information necessary for a U.S. Holder to make a QEF election, prospective investors should assume that a QEF election will not be available.

**The U.S. federal income tax rules relating to PFICs are very complex. Prospective U.S. investors are strongly urged to consult their own tax advisors with respect to the impact of PFIC status on the purchase, ownership and disposition of our ADSs, the consequences to them of an investment in a PFIC, any elections available with respect to the ADSs and the IRS information reporting obligations with respect to the purchase, ownership and disposition of ADSs of a PFIC.**

***Distributions***

Subject to the discussion above under "—Passive Foreign Investment Company Consequences," a U.S. Holder that receives a distribution with respect to our ordinary shares or ADSs generally will be required to include the

gross amount of such distribution in gross income as a dividend when actually or constructively received to the extent of the U.S. Holder's pro rata share of our current and/or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent a distribution received by a U.S. Holder is not a dividend because it exceeds the U.S. Holder's pro rata share of our current and accumulated earnings and profits, it will be treated first as a tax-free return of capital and reduce (but not below zero) the adjusted tax basis of the U.S. Holder's ordinary shares or ADSs. To the extent the distribution exceeds the adjusted tax basis of the U.S. Holder's ordinary shares or ADSs, the remainder will be taxed as capital gain. Because we may not account for our earnings and profits in accordance with U.S. federal income tax principles, U.S. Holders should expect all distributions to be reported to them as dividends.

Distributions on our ordinary shares or ADSs that are treated as dividends generally will constitute income from sources outside the United States for foreign tax credit purposes and generally will constitute passive category income. Such dividends will not be eligible for the "dividends received'' deduction generally allowed to corporate shareholders with respect to dividends received from U.S. corporations. Dividends paid by a "qualified foreign corporation'' to certain non-corporate U.S. Holders may be are eligible for taxation at a reduced capital gains rate rather than the marginal tax rates generally applicable to ordinary income provided that a holding period requirement (more than 60 days of ownership, without protection from the risk of loss, during the 121-day period beginning 60 days before the ex-dividend date) and certain other requirements are met. Each U.S. Holder is advised to consult its tax advisors regarding the availability of the reduced tax rate on dividends to its particular circumstances. However, if we are a PFIC for the taxable year in which the dividend is paid or the preceding taxable year (see discussion above under "—Passive Foreign Investment Company Consequences"), we will not be treated as a qualified foreign corporation, and therefore the reduced capital gains tax rate described above will not apply.

Dividends will be included in a U.S. Holder's income on the date of the Depositary's receipt of the dividend. The amount of any dividend income paid in NT dollars will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect to the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

A non-U.S. corporation (other than a corporation that is classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) generally will be considered to be a qualified foreign corporation with respect to any dividend it pays on ordinary shares or ADSs that are readily tradable on an established securities market in the United States.

***Sale, Exchange or Other Disposition of Our Ordinary Shares or ADSs***

Subject to the discussion above under "—Passive Foreign Investment Company Consequences,'' a U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes upon the sale, exchange or other disposition of our ordinary shares or ADSs in an amount equal to the difference, if any, between the amount realized (i.e., the amount of cash plus the fair market value of any property received) on the sale, exchange or other disposition and such U.S. Holder's adjusted tax basis in the ordinary shares or ADSs. Such capital gain or loss generally will be long-term capital gain taxable at a reduced rate for non-corporate U.S. Holders or long-term capital loss if, on the date of sale, exchange or other disposition, the ordinary shares or ADSs were held by the U.S. Holder for more than one year. Any capital gain of a non-corporate U.S. Holder that is not long-term capital gain is taxed at ordinary income rates. The deductibility of capital losses is subject to limitations. Any gain or loss recognized from the sale or other disposition of our ordinary shares or ADSs will generally be gain or loss from sources within the United States for U.S. foreign tax credit purposes.

***Medicare Tax***

Certain U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds generally are subject to a 3.8% tax on all or a portion of their net investment income, which may include their gross dividend income and net gains from the disposition of our ordinary shares or ADSs. If you are a United States person that is an individual, estate or trust, you are encouraged to consult your tax advisors regarding the applicability of this Medicare tax to your income and gains in respect of your investment in our ordinary shares or ADSs.

***Information Reporting and Backup Withholding***

U.S. Holders may be required to file certain U.S. information reporting returns with the IRS with respect to an investment in our ordinary shares or ADSs, including, among others, IRS Form 8938 (Statement of Specified Foreign Financial Assets). As described above under "Passive Foreign Investment Company Consequences," each U.S. Holder who is a shareholder of a PFIC must file an annual report containing certain information. U.S. Holders paying more than $100,000 for our ordinary shares or ADSs may be required to file IRS Form 926 (Return by a U.S. Transferor of Property to a Foreign Corporation) reporting this payment. Substantial penalties may be imposed upon a U.S. Holder that fails to comply with the required information reporting.

Dividends on and proceeds from the sale or other disposition of our ADSs may be reported to the IRS unless the U.S. Holder establishes a basis for exemption. Backup withholding may apply to amounts subject to reporting if the holder (1) fails to provide an accurate U.S. taxpayer identification number or otherwise establish a basis for exemption, or (2) is described in certain other categories of persons. However, U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability if the required information is furnished by the U.S. Holder on a timely basis to the IRS.

U.S. Holders should consult their own tax advisors regarding the backup withholding tax and information reporting rules.

**EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN OUR ADSs IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.**

**Cayman Taxation**

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any ADSs or ordinary shares under the laws of their country of citizenship, residence or domicile.

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the ADSs or ordinary shares. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

No stamp duty, capital duty, registration or other issue or documentary taxes are payable in the Cayman Islands on the creation, issuance or delivery of the ADSs or ordinary shares. The Cayman Islands currently have no form of income, corporate or capital gains tax and no estate duty, inheritance tax or gift tax. There are currently no Cayman Islands' taxes or duties of any nature on gains realized on a sale, exchange, conversion, transfer or redemption of the ADSs or ordinary shares. Payments of dividends and capital in respect of the ADSs or ordinary

shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any holder of the ADSs or ordinary shares, nor will gains derived from the disposal of the ADSs or ordinary shares be subject to Cayman Islands income or corporation tax as the Cayman Islands currently have no form of income or corporation taxes.

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, have applied for and expect to receive an undertaking from the Governor of the Cayman Islands that no law enacted in the Cayman Islands during the period of 20 years from the date of the undertaking imposing any tax to be levied on profits, income, gains or appreciation shall apply to us or our operations and no such tax or any tax in the nature of estate duty or inheritance tax shall be payable (directly or by way of withholding) on the ADSs or ordinary shares, debentures or other obligations of ours.

**ROC Taxation**

The following is a summary under present law of the principal ROC tax consequences of the ownership and disposition of ADSs and shares to a Non-Resident Individual or a Non-Resident Entity that owns ADS or shares (each a Non-ROC Holder). As used in this section, a "Non-Resident individual" is a foreign national individual who is not physically present in the ROC for 183 days or more during any calendar year; and a "Non-Resident Entity" is a corporation or a non-corporate body that is organized under the laws of a jurisdiction other than the ROC and has no fixed place of business or other permanent establishment or business agent in the ROC. Prospective purchasers of the ADSs should consult their tax advisors concerning the ROC tax consequences of owning the ADSs or shares and the laws of any other relevant taxing jurisdiction to which they are subject.

***Sale***

There is no ROC tax on (i) the purchase of the ADSs, (ii) the sale of the ADSs or (iii) conversion of the ADSs into their underlying shares. However, securities transaction tax will be withheld at the rate of 0.3% of the transaction price upon a sale of the underlying shares in the ROC.

Under current ROC law, capital gains on transactions in securities issued by ROC companies and held by a Non-ROC Holder are exempt from income fax. This exemption applies to capital gains derived from the sale of the said shares.

***Tax Guarantor***

If a holder of non-ROC nationality converts the ADSs held by the holder into the underlying shares, such holder is required under current ROC law and regulations to appoint a tax agent in the ROC. Such agent must meet certain qualifications set by the ROC Financial Supervisory Commission and, upon appointment, become a guarantor of such holder's ROC tax obligations. Evidence of the appointment of such agent and the approval for such appointment by the ROC tax authorities would be required as conditions to such holder's repatriation of the profit derived from the sale of shares. There can be no assurance that a foreign holder will be able to appoint and obtain approval for the required agent in a timely manner.

Subject to certain exceptions, under current ROC law, upon the repatriation of profits of shares sold within the ROC, the tax agent so appointed is required to submit evidence of the appointment of the tax agent to, and approval thereof by, the tax authority, or to submit tax clearance certificates issued by the tax authority. Notwithstanding the above requirements for the appointment of a tax agent or submission of tax clearance certificates as provided in the ROC regulations, the Central Bank of China has not required submission of such evidence or tax clearance certificates as condition to repatriation of sale proceeds of shares from sales that take place within the ROC. However, there can be no assurance that the Central Bank of China will not require submission of such evidence or tax clearance certificates in the future.

## UNDERWRITING

Leerink Partners LLC and Piper Jaffray & Co. are acting as representatives of each of the underwriters named below and as joint bookrunning managers for this offering. Subject to the terms and conditions set forth in the underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of ADSs set forth opposite its name below.

| Underwriter | Number of ADSs |
|---|---|
| Leerink Partners LLC | |
| Piper Jaffray & Co. | |
| H.C. Wainwright & Co., LLC | |
| Total | |

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the ADSs sold under the underwriting agreement if any of the ADSs are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

Any purchases of ADSs by the underwriters pursuant to the underwriting agreement are carried out by the underwriters agreeing, severally and not jointly, to subscribe for ordinary shares and deposit such ordinary shares with the Depositary, receiving in return the ADSs.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the ADSs representing ordinary shares that they subscribe for pursuant to the underwriting agreement, subject to prior issue, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the ADSs and the ordinary shares underlying the ADSs, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officers' certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

### Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the ADSs to the public at the initial public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per ADS. After the initial offering of the ADSs, the public offering price, concession or any other term of the offering may be changed by the representatives.

The following table shows the public offering price, underwriting discounts and commissions and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their over-allotment option.

| | | Total | |
|---|---|---|---|
| | Per ADS | Without Option | With Option |
| Initial public offering price | $ | $ | $ |
| Underwriting discounts and commissions | $ | $ | $ |
| Proceeds, before expenses, to us | $ | $ | $ |

We estimate expenses payable by us in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately $ . We also have agreed to reimburse the

underwriters for up to $ for Financial Industry Regulatory Authority, Inc., or FINRA, expenses. In accordance with FINRA Rule 5110, this reimbursed fee is deemed underwriting compensation for this offering.

**Over-Allotment Option**

We have granted an option to the underwriters, exercisable at any time through and until one day before the closing date of this offering, to purchase up to additional ADSs at the public offering price, less the underwriting discounts and commissions. If the underwriters exercise this option, each underwriter will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional ADSs proportionate to that underwriter's initial amount reflected in the above table. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the ADSs offered by this prospectus.

**No Sales of Similar Securities**

We, our executive officers and directors and other holders of an aggregate of of our ordinary shares, or % of our outstanding ordinary shares, have agreed not to sell or transfer any ADSs or ordinary shares or securities convertible into or exchangeable or exercisable for ADSs or ordinary shares, for 180 days after the date of this prospectus without first obtaining the written consent of Leerink Partners LLC and Piper Jaffray & Co. on behalf of the underwriters. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

- offer, pledge, sell or contract to sell any of our ADSs or ordinary shares;
- sell any option or contract to purchase any of our ADSs or ordinary shares;
- purchase any option or contract to sell any of our ADSs or ordinary shares;
- grant any option, right or warrant for the sale of any of our ADSs or ordinary shares;
- otherwise dispose of or transfer any of our ADSs or ordinary shares;
- request or demand that we file a registration statement related to any of our ADS or ordinary shares; or
- enter into any swap or other agreement or any transaction that transfers, in whole or in part, the economic consequence of ownership of any of our ADSs or ordinary shares, whether any such swap, agreement or transaction is to be settled by delivery of ADSs or ordinary shares or other securities, in cash or otherwise.

This lock-up provision applies to our ADSs and ordinary shares and to securities convertible into or exchangeable or exercisable for our ADSs or ordinary shares. It also applies to our ADSs and ordinary shares owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

The restrictions in the immediately preceding paragraph do not apply in certain circumstances, including:

- the sale of ADSs to the underwriters in this offering;
- transfers of our ADSs or ordinary shares as a bona fide gift or gifts;
- transfers of our ADSs or ordinary shares to any trust for the direct or indirect benefit of the lock-up party or the immediate family of the lock-up party;
- transfers of our ADSs or ordinary shares as a distribution or other transfer by a partnership to its partners or former partners or by a limited liability company to its members or retired members or by a corporation to its shareholders or former shareholders or to any wholly-owned subsidiary of such corporation;

- transfers of our ADSs or ordinary shares to the lock-up party's affiliates or to any investment fund or other entity controlled or managed by the lock-up party;
- transfers of our ADSs or ordinary shares pursuant to a qualified domestic relations order or in connection with a divorce settlement;
- transfers of our ADSs or ordinary shares by will or intestate succession upon the death of the lock-up party;
- transfers of our ADSs or ordinary shares to us in satisfaction of any tax withholding obligation;
- transfers of our ADSs or ordinary shares in connection with the termination of the lock-up party's services to us or in connection with the repurchase of securities issued pursuant to our equity incentive plan and repurchased pursuant to such plan;
- the exercise or exchange of any option or warrant to acquire any ADSs or ordinary shares or options to purchase ADSs or ordinary shares, in each case for cash or on a "cashless" or "net exercise" basis, pursuant to any share option, share bonus or other share plan or arrangement;
- transfers of our ADSs or ordinary shares upon the completion of a bona fide third-party tender offer, merger, consolidation or other similar transaction made to all holders of our securities involving a change of control our company;
- transfers of our ADSs or ordinary shares acquired in open market transactions after the completion of this offering; or
- establishing a 10b5-1 trading plan that complies with Rule 10b5-1 under the Exchange Act, or 10b5-1 Trading Plan, or from amending an existing 10b5-1 Trading Plan so long as there are no sales of ADSs or ordinary shares under any such 10b5-1 Trading Plan during the restricted period.

**NASDAQ Global Market Listing**

We intend to apply to list our ADSs on The Nasdaq Global Market, subject to notice of issuance, under the symbol "ASLN."

**Determination of Offering Price**

Before this offering, there has been no public market for the ADSs. The initial public offering price will be determined through negotiations between us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the market price of the ordinary shares on the TPEx;
- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us;
- our financial information;
- the history of, and the prospects for, our company and the industry in which we compete;
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues;
- the present state of our development;
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours; and

An active trading market for the ADSs may not develop. It is also possible that after the offering the ADSs will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the ADSs in the aggregate to accounts over which they exercise discretionary authority.

**Stamp Taxes**

If you purchase ADSs offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

**Price Stabilization, Short Positions and Penalty Bids**

Until the distribution of the ADSs is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing ADSs. However, the representatives may engage in transactions that stabilize the price of the ADSs, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell ADSs in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of ADSs than they are required to purchase in the offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ over-allotment option described above. The underwriters may close out any covered short position by either exercising their over-allotment option or purchasing ADSs in the open market. In determining the source of ADSs to close out the covered short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase ADSs through the over-allotment option granted to them. “Naked” short sales are sales in excess of such over-allotment option. The underwriters must close out any naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of ADSs made by the underwriters in the open market prior to the closing of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased ADSs sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters’ purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the ADSs or preventing or retarding a decline in the market price of the ADSs. As a result, the price of the ADSs may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on The Nasdaq Global Market, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the ADSs. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

**Electronic Distribution**

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

**Other Relationships**

The underwriters and certain of their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment

management, investment research, principal investment, hedging, financing and brokerage activities. Some of the underwriters and certain of their affiliates may in the future engage in investment banking and other commercial dealings in the ordinary course of business with us and our affiliates, for which they may in the future receive customary fees, commissions and expenses.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Selling Restrictions**

***Notice to Prospective Investors in Canada***

The ADSs may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the ADSs must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

***Notice to Prospective Investors in the European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, or each, a Relevant Member State, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, no offer of ADSs may be made to the public in that Relevant Member State other than:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

B. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of ADSs shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires any ADSs or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the representatives and us that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

In the case of any ADSs being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the ADSs acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any ADSs to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

We, the representatives and each of our and the representatives' affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus has been prepared on the basis that any offer of ADSs in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of ADSs. Accordingly, any person making or intending to make an offer in that Relevant Member State of the ADSs which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of the ADSs in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

For the purposes of the above provisions, the expression an "offer of ADSs to the public" in relation to any ADSs in any Relevant Member State means the communication in any form and by means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase ADSs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

***Notice to Prospective Investors in the United Kingdom***

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the ADSs in the United Kingdom.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

***Notice to Prospective Investors in Australia***

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or the ASIC, in relation to this offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the ADSs may only be made to persons, or the Exempt Investors, who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional

investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the ADSs without disclosure to investors under Chapter 6D of the Corporations Act.

The ADSs applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring the ADSs must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

***Notice to Prospective Investors in Hong Kong***

The ADSs have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the ADSs has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

***Notice to Prospective Investors in Japan***

The ADSs have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the ADSs nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

***Notice to Prospective Investors in Qatar***

The ADSs described in this prospectus have not been, and will not be, offered, sold or delivered, at any time, directly or indirectly in the State of Qatar in a manner that would constitute a public offering. This prospectus has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority or Qatar Central Bank and may not be publicly distributed. This prospectus is intended for the original recipient only and must not be provided to any other person. This prospectus is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

***Notice to Prospective Investors in Singapore***

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

***Notice to Prospective Investors in Taiwan***

The ADSs have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations for sale, issuance or offer to sell within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the ADSs in Taiwan.

***Notice to Prospective Investors in Switzerland***

The ADSs may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or the SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the ADSs or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, us or the ADSs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of ADSs will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of ADSs has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of ADSs.

***Notice to Prospective Investors in the Dubai International Financial Centre***

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or the DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The ADSs to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the ADSs offered should conduct their own due diligence on the ADSs. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

## EXPENSES OF THIS OFFERING

Set forth below is an itemization of the total expenses, excluding the underwriting discounts and commissions, which are expected to be incurred in connection with the sale of ADSs in this offering. With the exception of the registration fee payable to the SEC, The Nasdaq Global Market listing fee and the filing fee payable to Financial Industry Regulatory Authority, Inc., all amounts are estimates.

| Expense | Amount to be paid |
|---|---|
| SEC registration fee | $ * |
| The Nasdaq Global Market listing fee | * |
| FINRA filing fee | * |
| Printing expenses | * |
| Legal fees and expenses | * |
| Accounting fees and expenses | * |
| Miscellaneous | |
| **Total** | * |

* To be completed by amendment.

## LEGAL MATTERS

We are being represented by Cooley LLP, San Diego, California, with respect to certain legal matters of U.S. federal securities and New York State law. The validity of our ordinary shares underlying our ADSs and certain other matters of Cayman Islands law will be passed upon for us by Walkers. Davis Polk & Wardwell LLP, Menlo Park, California, is acting as legal counsel to the underwriters in connection with this offering.

## EXPERTS

The consolidated financial statements as of, and for the year ended, December 31, 2016 included in this prospectus have been audited by Deloitte & Touche, an independent registered public accounting firm, as stated in their report appearing herein which report expresses a qualified opinion on the consolidated financial statements and includes an explanatory paragraph referring to the omission of the prior year comparative financial information. Such financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The registered business address of Deloitte & Touche is 12th Floor, 156 Min Sheng East Road, Sec. 3, Taipei 10596, Taiwan, Republic of China.

## ENFORCEMENT OF LIABILITIES

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability. We are incorporated in the Cayman Islands because of certain benefits associated with being a Cayman Islands company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of foreign exchange control or currency restrictions and the availability of professional and support services. However, the Cayman Islands has a less developed body of securities laws as compared to the United States and provides less protection for investors. In addition, Cayman Islands companies do not have standing to sue before the federal courts of the United States.

Our constitutional documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our executive officers, directors and shareholders, be subject to arbitration.

Substantially all of our assets are located outside the United States. In addition, most of our directors and executive officers are nationals or residents of jurisdictions other than the United States and substantially all of their assets are located outside the United States. As a result, it may be difficult or impossible for you to effect service of process within the United States upon us or these persons, or to enforce judgments obtained in U.S. courts against us or them, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States. It may also be difficult for you to enforce judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our executive officers and directors.

We have appointed Cogency Global Inc. as our agent to receive service of process with respect to any action brought against us in the U.S. District Court for the Southern District of New York in connection with this offering under the federal securities laws of the United States or of any State in the United States or any action brought against us in the Supreme Court of the State of New York in the County of New York in connection with this offering under the securities laws of the State of New York.

### Cayman Islands

We have been advised by Walkers, our counsel as to Cayman Islands law, that the United States and the Cayman Islands do not have a treaty providing for reciprocal recognition and enforcement of judgments of U.S. courts in civil and commercial matters and that there is uncertainty as to whether a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability provisions, whether or not predicated solely upon the U.S. federal securities laws, would be enforceable in the Cayman Islands. This uncertainty relates to whether such a judgment would be determined by the courts of the Cayman Islands to be penal or punitive in nature.

We have also been advised by Walkers that, notwithstanding the above, a final and conclusive judgment obtained in U.S. federal or state courts under which a definite sum of money is payable as compensatory damages and not in respect of laws that are penal in nature (i.e., not being a sum claimed by a revenue authority for taxes or other charges of a similar nature by a governmental authority, or in respect of a fine or penalty or multiple or punitive damages) will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided that: (a) the court that gave the judgment was competent to hear the action in accordance with private international law principles as applied by the courts in the Cayman Islands and the parties subject to such judgment either submitted to such jurisdiction or were resident or carrying on business within such jurisdiction and were duly served with process, (b) the judgment given by the foreign court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations, (c) the judgment was final and conclusive and for a liquidated sum, (d) the judgment was not obtained by fraud (e) the judgment was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or public policy in the Cayman Islands.

A Cayman Islands court may impose civil liability on us or our directors or officers in a suit brought in the Grand Court of the Cayman Islands against us or these persons with respect to a violation of U.S. federal securities laws, provided that the facts surrounding any violation constitute or give rise to a cause of action under Cayman Islands law.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement (including amendments and exhibits to the registration statement) on Form F-1 under the Securities Act. A related registration statement on Form F-6 has been filed with the Securities and Exchange Commission to register the ADSs. This prospectus, which forms a part of the registration statement, does not contain all of the information included in the registration statement and the exhibits and schedules to the registration statement. Certain information is omitted and you should refer to the registration statement and its exhibits and schedules for that information. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit.

You may review a copy of the registration statement, including exhibits and any schedule filed therewith, and obtain copies of such materials at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers, like us, that file electronically with the SEC.

Upon completion of this offering, we will be subject to the information reporting requirements of the Exchange Act applicable to foreign private issuers. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. Those reports may be inspected without charge at the locations described above. As a foreign private issuer, we will be exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We maintain a corporate website at www.aslanpharma.com. Information contained on, or that can be accessed through, our website is not a part of, and shall not be incorporated by reference into, this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and the Shareholders
ASLAN Pharmaceuticals Limited

We have audited the accompanying consolidated balance sheet of ASLAN Pharmaceuticals Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2016, and the related consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Group's financial statements do not include comparative information in respect of the preceding year for all amounts reported in the current year's financial statements. In our opinion, inclusion of this information is required by International Accounting Standard 1, Presentation of Financial Statements, as issued by the International Accounting Standard Board.

In our opinion, except for the omission of the prior year comparative financial information discussed in the preceding paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2016, and the result of their operations and their cash flows for the year then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standard Board.

/s/ Deloitte & Touche
Deloitte & Touche
Taipei, Taiwan
Republic of China

December 20, 2017

**ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**
**DECEMBER 31, 2016**
**(In U.S. Dollars, Except for Number of Shares)**

| | Notes | Amount |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 4, 6 | $ 51,737,048 |
| Accounts receivable | 14 | 1,294,034 |
| Prepayments | | 89,582 |
| Total current assets | | 53,120,664 |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 4, 7 | 384,389 |
| Intangible assets | 4, 8,14 | 84,266 |
| Refundable deposits | | 124,779 |
| Total non-current assets | | 593,434 |
| TOTAL ASSETS | | $ 53,714,098 |
| **EQUITY AND LIABILITIES** | | |
| CURRENT LIABILITIES | | |
| Trade payables | | $ 2,276,842 |
| Other payables | 9 | 1,526,757 |
| Total current liabilities | | 3,803,599 |
| NON-CURRENT LIABILITIES | | |
| Long-term borrowings | 10 | 8,335,631 |
| Total liabilities | | 12,139,230 |
| EQUITY | | |
| Share capital | | |
| Ordinary shares | | 36,710,066 |
| Capital surplus | | 55,256,085 |
| Accumulated deficits | | (50,391,283) |
| Total equity | 4, 13 | 41,574,868 |
| TOTAL EQUITY AND LIABILITIES | | $ 53,714,098 |

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

**ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS**
**FOR THE YEAR ENDED DECEMBER 31, 2016**
**(In U.S. Dollars)**

| | Notes | Amount |
|---|---|---|
| NET REVENUE | 4, 14 | $ 11,546,971 |
| COST OF REVENUE | 14 | (125,000) |
| OPERATING EXPENSES | 11, 15, 18 | |
| General and administrative expenses | | (6,956,345) |
| Research and development expenses | | (13,165,286) |
| LOSS FROM OPERATIONS | | (8,699,660) |
| NON-OPERATING INCOME AND EXPENSES | | |
| Other gains, net | 15 | 174,695 |
| Finance costs | 15 | (524,138) |
| Total non-operating income and expenses | | (349,443) |
| LOSS BEFORE INCOME TAX | | (9,049,103) |
| INCOME TAX EXPENSE | 4, 5, 16 | — |
| NET LOSS FOR THE YEAR | | (9,049,103) |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | $ (9,049,103) |
| LOSSES PER SHARE | | |
| Basic and diluted | 17 | $ (0.09) |

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

**ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED DECEMBER 31, 2016**
**(In U.S. Dollars)**

| | Ordinary Shares | | Preference Shares (Notes 11 and 13) | | Capital Surplus | | | Accumulated Deficits | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Ordinary Shares | Share Options Reserve | Total | | |
| BALANCE AT JANUARY 1, 2016 (Note 13) | 12,775,002 | $ 6,388 | 73,504,898 | $ 3,296 | $ — | $ 3,716,905 | $ 3,716,905 | $(41,342,180) | $(37,615,591) |
| Issue of preference shares (Notes 11 and 13) | — | — | 9,723,896 | — | — | — | — | — | — |
| Conversion to ordinary shares from preference shares | 83,228,794 | 41,614 | (83,228,794) | (3,296) | 64,557,452 | — | 64,557,452 | — | 64,595,770 |
| Adjust par value to NT$10 (US$ 0.6383) | — | 30,639,655 | — | — | (30,639,655) | — | (30,639,655) | — | — |
| Issue of new share capital (Note 13) | 19,667,144 | 6,022,409 | — | — | 16,201,460 | — | 16,201,460 | — | 22,223,869 |
| Recognition of employee share options by the Company (Notes 4 and 18) | — | — | — | — | — | 1,419,923 | 1,419,923 | — | 1,419,923 |
| Net loss for the year ended December 31, 2016 | — | — | — | — | — | — | — | (9,049,103) | (9,049,103) |
| Total comprehensive loss for the year ended December 31, 2016 | — | — | — | — | — | — | — | (9,049,103) | (9,049,103) |
| BALANCE AT DECEMBER 31, 2016 | 115,670,940 | $36,710,066 | — | $ — | $ 50,119,257 | $ 5,136,828 | $ 55,256,085 | $(50,391,283) | $ 41,574,868 |

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

**ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED DECEMBER 31, 2016**
**(In U.S. Dollars)**

| | |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Loss before income tax | $ (9,049,103) |
| Adjustments for: | |
| Depreciation expenses | 65,874 |
| Amortization expenses | 10,010 |
| Compensation cost of employee share options | 1,419,923 |
| Finance costs | 524,138 |
| Loss on disposal of property, plant and equipment | 12,316 |
| Unrealized gain on foreign exchange, net | (206,334) |
| Changes in operating assets and liabilities | |
| Increase in accounts receivable | (1,294,034) |
| Increase in prepayments | (52,034) |
| Increase in trade payables | 2,129,760 |
| Increase in other payables | 688,372 |
| Cash used in operations | (5,751,112) |
| Interest paid | (38,036) |
| Net cash used in operating activities | (5,789,148) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Payments for property, plant and equipment | (374,425) |
| Proceeds from disposal of property, plant and equipment | 632 |
| Payments for intangible assets | (81,209) |
| Increase in refundable deposits | (68,474) |
| Net cash used in investing activities | (523,476) |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Repayments of long-term borrowings | (376,968) |
| Issue of preference shares | 9,140,462 |
| Proceeds from new share capital | 22,223,869 |
| Net cash generated from financing activities | 30,987,363 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 24,674,739 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 27,062,309 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | $ 51,737,048 |

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

**ASLAN PHARMACEUTICALS LIMITED AND SUBSIDIARIES**

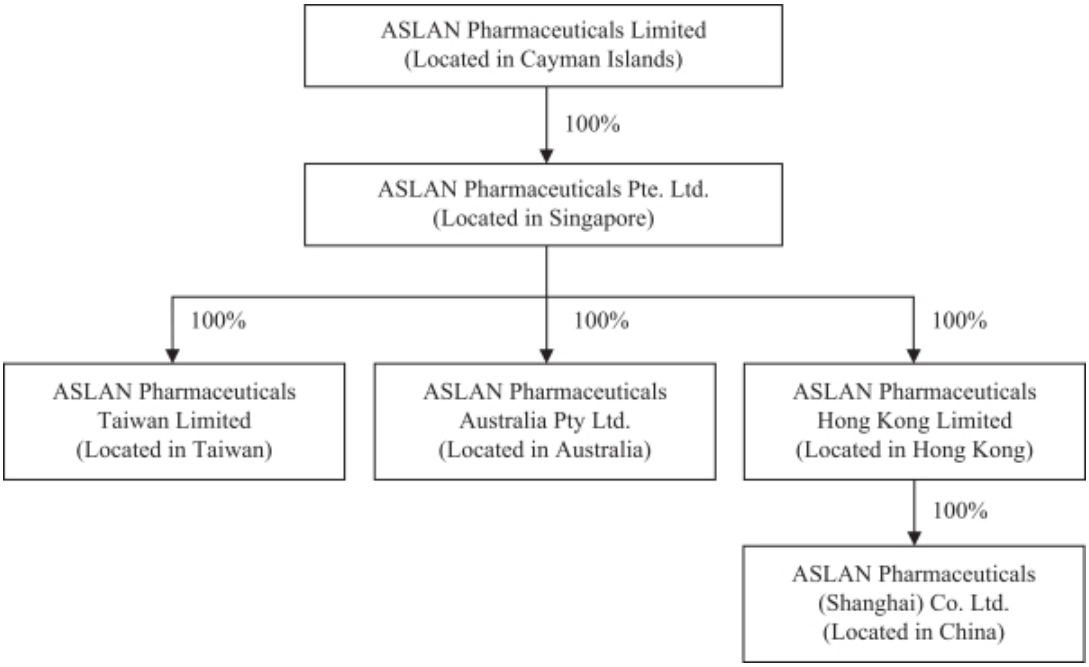
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED DECEMBER 31, 2016**
**(In U.S. Dollars, Unless Stated Otherwise)**

## 1. GENERAL INFORMATION

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

The main businesses and relationship of the Group were as follows as of December 31, 2016:

| 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 drugs research and development |
| ASLAN Pharmaceuticals Taiwan Limited | Taiwan | November 2013 | New drugs research and development |
| ASLAN Pharmaceuticals Australia Pty Ltd. | Australia | July 2014 | New drugs research and development |
| ASLAN Pharmaceuticals Hong Kong Limited | Hong Kong | July 2015 | New drugs research and development |
| ASLAN Pharmaceuticals (Shanghai) Co. Ltd. | China | May 2016 | New drugs research and development |




The Company completed the corporate restructuring with ASLAN Pharmaceuticals Pte. Ltd. through a share swap agreement dated as of September 26, 2014. The shareholders of ASLAN Pharmaceuticals Pte. Ltd.

transferred their respective shares, including ordinary shares, Series A and Series B Preference Shares, in exchange for similar shares of the Company at a ratio of 1-for-1. After the completion of the corporate restructuring, the Company became the holding company of ASLAN Pharmaceuticals Pte. Ltd.

Following approval of the Company's shareholders at a shareholders' meeting on May 27, 2016, the Company completed the restructuring of the share capital through the subdivision of the Company's authorized share capital, the conversion of preference shares into ordinary shares, and the repurchase of their USD shares in consideration for the issue of an equal number of NTD shares for the purpose of the initial public offering and listing of the Company's ordinary shares on the TPEx. On January 5, 2017, the General Stock Board Applicant Committee of the General Stock Board (Market) of the TPEx approved the Company's application for listing on the TPEx. On January 20, 2017, the 8th session 22nd meeting of the board and supervisors of TPEx passed the resolution, pursuant to which the Company's shares began trading on the TPEx on June 1, 2017.

## 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on December 15, 2017.

## 3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

a. Amendments to the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") That Are Mandatorily Effective for the Current Year.

The Company has applied the amendments to IFRSs included in the Annual Improvements to IFRSs 2012- 2014 Cycle, Amendments to IAS 1: Disclosure Initiative, and Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization for an annual period that begins on or after January 1, 2016. The application of these amendments has had no impact on the disclosures or amounts recognized in the Company's consolidated financial statements.

b. New and Revised IFRSs in Issue But Not Yet Effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

| New IFRSs | Effective Date Announced by IASB (Note 1) |
|---|---|
| Annual Improvements to IFRSs 2014-2016 Cycle | Note 2 |
| Amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions" | January 1, 2018 |
| Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" | January 1, 2018 |
| IFRS 9 "Financial Instruments" | January 1, 2018 |
| Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures" | January 1, 2018 |
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined by IASB |
| IFRS 15 "Revenue from Contracts with Customers" | January 1, 2018 |
| Amendments to IFRS 15 "Clarifications to IFRS 15 Revenue from Contracts with Customers" | January 1, 2018 |
| IFRS 16 "Leases" | January 1, 2019 |
| Amendment to IAS 7 "Disclosure Initiative" | January 1, 2017 |
| Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses" | January 1, 2017 |
| Amendments to IAS 40 "Transfers of investment property" | January 1, 2018 |
| IFRIC 22 "Foreign Currency Transactions and Advance Consideration" | January 1, 2018 |

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

Note 2: The amendment to IFRS 12 is retrospectively applied for annual periods beginning on or after January 1, 2017; the amendment to IAS 28 is retrospectively applied for annual periods beginning on or after January 1, 2018.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies, except for the following:

1) IFRS 15 "Revenue from Contracts with Customers" and related amendment

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 "Revenue," IAS 11 "Construction Contracts" and a number of revenue-related interpretations.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

- identify the contract with the customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognize revenue when the entity satisfies a performance obligation.

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the good or services underlying the particular performance obligation is transferred to the customer.

IFRS 15 provides guidance to clarify the categorization of licenses of intellectual property and on whether revenue is to be recognized over time or at a point in time.

In June 2016, amendments to IFRS 15 were issued to provide clarification on (i) identifying performance obligations, (ii) principal versus agent consideration and (iii) licensing application guidance. The amendments also include two additional transition reliefs on contract modifications and completed contracts.

IFRS 15 will take effect from financial years beginning on or after January 1, 2018 with early application permitted. The Group evaluated that the adoption of IFRS 15 will not have significant impact on financial statements. The Group expects to adopt the new revenue standard on January 1, 2018 using the full retrospective approach.

2) IFRS 16 "Leases"

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

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities or financing activities.

IFRS 16 will take effect for the financial year beginning on or after January 1, 2019 with earlier adoption permitted if IFRS 15 is adopted. The Group is currently evaluating the potential impact of the changes in the period of initial adoption.

When IFRS 16 becomes effective, the Group may elect to apply this standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this standard recognized at the date of initial application.

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

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The accompanying consolidated financial statements have been prepared in conformity with IFRSs issued by the IASB.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

The preparation of financial statements in conformity with IFRSs requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 5.

The accompanying consolidated financial statements do not include comparative information in respect of the preceding year for all amounts reported in the current year's financial statements as required by IAS 1, Presentation of Financial Statements. Except for the omission of the prior year comparative financial information, the accompanying consolidated financial statements have been prepared in conformity with IFRSs issued by the IASB.

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

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within twelve months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within twelve months after the reporting period; and
- Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

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

d. Basis of consolidation

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

e. Foreign currencies

The reporting currency of the Group is U.S. dollars. The functional currency of each individual group entity is U.S. dollars.

Monetary assets and liabilities denominated in currencies other than the applicable functional currencies are translated into the functional currencies at the prevailing rates of exchange at the balance sheet date. Nonmonetary assets and liabilities are remeasured into the applicable functional currencies at historical exchange rates. Transactions in currencies other than the applicable functional currencies during the year are converted into the functional currencies at the applicable rates of exchange prevailing at the dates of the transactions. Transaction gains and losses are recognized in “other gains, net” in the consolidated statements of operations.

f. Property, plant and equipment

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

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

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

g. Intangible assets

1) Intangible assets acquired separately

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

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

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria

listed above. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of operations.

h. Impairment of long-lived assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

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

i. Financial instruments

Financial assets and financial liabilities are recognized when a Group entity becomes a party to the contractual provisions of the instrument and are initially measured at fair value.

1) Financial assets

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

a) Measurement category

Financial assets are classified into loans and receivables.

Loans and receivables (including cash and cash equivalents, accounts receivable, prepayments and refundable deposits) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

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

b) Impairment of financial assets

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

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

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

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

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

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

c) Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of (1) the consideration received and receivable and (2) the cumulative gain or loss that had been recognized in other comprehensive income is recognized in the consolidated statement of operations.

2) Debt and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

j. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the out-licensing of experimental drugs that have reached 'proof of concept' to customers for ongoing global development and launch, in the ordinary course of the Group's activities. See Note 14 for the details of the licensing agreements. Revenue is presented, net of goods and services tax, rebates and discounts.

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

Typically income from out-licensing may take the form of upfront fees, milestones and/or sales royalties. Revenue is recognized upon the receipt of the non-refundable upfront payment if the license of intellectual property has stand-alone value and the Group has no remaining obligation to perform subsequently in accordance with the licensing agreements. Otherwise, revenue recognition is deferred and spread over the period of performance on a straight-line basis. Milestone payments which are contingent on achieving certain clinical milestones are recognized as revenues either on achievement of such milestones, or over the period if the Group has continuing performance obligations.

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

- the Group has transferred the significant risks and rewards of the research material to the buyer;
- the Group retains neither continuing managerial involvement, to the degree usually associated with ownership, nor effective control over the research material sold;
- the amount of revenue can be measured reliably;
- it is probable that economic benefits will flow to the Group; and
- the costs incurred or to be incurred can be measured reliably.

Interest income is primarily a result of deposits in banks and is recognized as non-operating income when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

k. Research and development expenses

Elements of research and development expenses primarily include (i) payroll and other related costs of personnel engaged in research and development activities, (ii) costs related to preclinical testing of the Group's technologies under development and clinical trials, such as payments to contract research organizations ("CROs"), investigators and clinical trial sites that conduct the Group's clinical studies, (iii) costs to develop the product candidates, including raw materials and supplies and product testing related expenses, (iv) other research and development expenses. Research and development expenses are expensed as incurred when these expenditures relate to the Group's research and development services and have no alternative future uses. The conditions enabling capitalization of development costs as an asset have not yet been met and, therefore, all development expenditures are recognized in in the consolidated statement of operations when incurred.

l. Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

m. Share-based payment arrangements

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

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

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

The grant by the Company of its equity instruments to the employees of a subsidiary under options is treated as a capital contribution. The fair value of employee services received under the arrangement is measured by reference to the grant-date fair value and is recognized over the vesting period as an addition to the investment in the subsidiary, with a corresponding credit to capital surplus.

n. Taxation

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

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

**Income Taxes**

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

**Share-based compensation**

Equity-settled share-based compensation is measured at fair value at the date of grant. The Group revises the estimated number of shares under options that are expected to become exercisable on the vesting date based on the non-market vesting conditions at the end of each reporting period. The assumption used in the valuation model are set out in Note 18.

## 6. CASH AND CASH EQUIVALENTS

| | December 31, 2016 |
|---|---|
| Cash on hand | $ 1,147 |
| Deposits in banks | 51,735,901 |
| | $ 51,737,048 |

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.

## 7. PROPERTY, PLANT AND EQUIPMENT

| | Office Equipment | Other Equipment | Leasehold Improvements | Total |
|---|---|---|---|---|
| Cost | | | | |
| Balance at January 1, 2016 | $ 76,753 | $ 37,494 | $ 153,391 | $ 267,638 |
| Additions | 80,943 | 27,729 | 265,753 | 374,425 |
| Disposal | (8,993) | (39,170) | (90,665) | (138,828) |
| Balance at December 31, 2016 | $148,703 | $ 26,053 | $ 328,479 | $ 503,235 |
| Accumulated depreciation and impairment | | | | |
| Balance at January 1, 2016 | $ 43,809 | $ 30,129 | $ 104,914 | $ 178,852 |
| Depreciation expense | 28,293 | 6,846 | 30,735 | 65,874 |
| Disposal | (8,587) | (32,026) | (85,267) | (125,880) |
| Balance at December 31, 2016 | $ 63,515 | $ 4,949 | $ 50,382 | $ 118,846 |
| Carrying amounts at January 1, 2016 | $ 32,944 | $ 7,365 | $ 48,477 | $ 88,786 |
| Carrying amounts at December 31, 2016 | $ 85,188 | $ 21,104 | $ 278,097 | $ 384,389 |

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

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

## 8. INTANGIBLE ASSETS

| | Licenses | Computer Software | Total |
|---|---|---|---|
| Cost | | | |
| Balance at January 1, 2016 | $ — | $ 23,522 | $ 23,522 |
| Additions | 73,400 | 7,809 | 81,209 |
| Balance at December 31, 2016 | $73,400 | $ 31,331 | $104,731 |
| Accumulated amortization and impairment | | | |
| Balance at January 1, 2016 | $ — | $ 10,455 | $ 10,455 |
| Amortization expense | — | 10,010 | 10,010 |
| Balance at December 31, 2016 | $ — | $ 20,465 | $ 20,465 |
| Carrying amounts at January 1, 2016 | $ — | $ 13,067 | $ 13,067 |
| Carrying amounts at December 31, 2016 | $73,400 | $ 10,866 | $ 84,266 |

Computer software was amortized on a straight-line basis over the estimated useful life of the asset (3 years).

Intangible assets of licenses are the acquisition cost of the exclusive rights of ASLAN005 from Exploit Technologies Pte Ltd. See Note 14. As of December 31, 2016, the intangible assets were not yet available for use and therefore have indefinite useful lives. The Company tests the intangible assets for impairment annually. As of December 31, 2016, there was no indication of impairment.

## 9. OTHER PAYABLES

| | December 31, 2016 |
|---|---|
| Accrued payroll and bonus | $ 1,208,765 |
| Accrued professional fees | 244,009 |
| Others | 73,983 |
| | $ 1,526,757 |

## 10. LONG-TERM BORROWINGS

| | December 31, 2016 |
|---|---|
| Unsecured borrowings | |
| EDB loan | $ 6,638,098 |
| Interest payable | 1,697,533 |
| | $ 8,335,631 |

a. EDB loan

On April 27, 2011, the Singapore Economic Development Board (the “EDB”) awarded the Company a repayable grant (the “Grant”) not exceeding approximately $7.4 million (SG$10 million) to support the Company’s drug development activities over a five-year qualifying period commencing February 24, 2011 (the “Project”). The Project was successfully implemented, resulting in substantially the full amount of the Grant being disbursed to the Company.

In the event any of the Company’s clinical product candidates achieve commercial approval after Phase 3 clinical trials, the Company will be required to repay the funds disbursed to the Company under the Grant plus interest of 6%. Until the Company has fulfilled its repayment obligations under

the Grant, the Company has ongoing update and reporting obligations to the EDB. In the event the Company breaches any of its ongoing obligations under the Grant, EDB can revoke the Grant and demand that the Company repay the funds disbursed to the Company under the Grant.

As of December 31, 2016, the amount of funds disbursed to the Company plus accrued interest was approximately $8.3 million.

b. CSL loan

On May 12, 2014, ASLAN Pharmaceuticals Pte. Ltd. obtained a loan facility of $4,500,000 from CSL Finance Pty Ltd. Amounts borrowed were based on 75% of research and development costs approved by CSL Finance Pty Ltd at each drawdown period. The loan is repayable 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 either upon a successful product launch or initial public offering of the Company occurring before maturity of the loan. The loan was fully repaid in September 2016.

## 11. PREFERENCE SHARE LIABILITY

ASLAN Pharmaceuticals Pte. Ltd. issued 16,409,521 Series B Preference Shares at $1.36 per share on October 9, 2013, and ASLAN Pharmaceuticals Limited issued an aggregate of 21,909,043 Series C Preference Shares at $1.88 per share between November 2015 and January 2016, respectively. Both accounted for as financial liabilities measured at amortized cost. At the option of the holders, the preference shares shall be redeemed in full at any time on or after the sixth anniversary of the issue date if the Company has not already completed a Trade Sale or IPO. The redemption amount shall be equal to the sum of the issue amount plus interest at the rate of 8% per annum compounded annually from the issue date to the date of redemption.

Series B and Series C Preference Shares were converted to ordinary shares on May 27, 2016, for the purpose of the Company's initial public offering and listing on the TPEx. The carrying amount of the preference shares liability of $63,505,948 with a par value of $0.001 each, had been reclassified as equity. Please refer to Note 13.a.6.

## 12. RETIREMENT BENEFIT PLANS

**Defined Contribution Plans**

ASLAN Pharmaceuticals Pte. Ltd. adopted defined contribution plans which are post-employment benefit plans under which ASLAN Pharmaceuticals Pte. Ltd. pays fixed contributions into the 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 expense when they are due.

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

For the year ended December 31, 2016, the total expense for such employee benefit in the amount of $251,187 was recognized.

## 13. EQUITY

a. Ordinary shares

1) On April 21, 2011, ASLAN Pharmaceuticals Pte. Ltd. issued 3,295,833 Series A Preference Shares at $0.8 per share to its investors. The shares are non-redeemable and dividends shall accrue

on each preference share at 8% per annum, which shall be payable only upon liquidation. Series A Preference Shares were converted to ordinary shares on May 27, 2016, for the purpose of the Company's proposed initial public offering and listing on the TPEx. The carrying amount of the Series A Preference Shares of $3,296, with a par value of $0.001 each, had been reclassified as Ordinary Shares, as well as the unpaid dividends of $1,089,822 as of May 26, 2016 had been reclassified as equity.

2) On October 9, 2013, ASLAN Pharmaceuticals Pte. Ltd. issued 16,409,521 Series B Preference Shares with redemption right. Between November 2015 and January 2016, ASLAN Pharmaceuticals Limited issued an aggregate of 21,909,043 Series C Preference Shares with redemption right, respectively. Please refer to Note 11.

3) ASLAN Pharmaceuticals Pte. Ltd. shall declare at the same time a dividend payable upon the outstanding Preference Shares to its investors, in an amount equal to the amount of dividends per share of preference shares as would have been paid if such preference shares had been converted to ordinary shares.

4) The preference shares may, at the option of the holders thereof, be converted at any time into fully-paid ordinary shares. Preference shares shall automatically be converted into ordinary shares upon (i) the approval of the holders of at least two-thirds of the Series A Preference Shares but 75% of the Series B or Series C Preference Shares; or (ii) in connection with IPO based on the conversion price.

5) For any return of capital upon liquidation or dissolution, the assets of the Company available for distribution among the shareholders shall be applied as follows: Firstly, in paying to the Series C Preference Shareholders, followed by the Series B Preference Shareholders, an amount in cash equivalent to the sum of the issue amount plus interest at the rate of 8% per annum compounded annually from the issue date to the date of liquidation; secondly, the balance shall go towards the payment of the subscription price paid by the holders of the Series A Preference Shares plus any unpaid dividends thereon; thirdly, the balance shall belong to and be distributed among the Series C Preference Shareholders, the Series B Preference Shareholders and the holders of the ordinary shares on a pari passu basis.

6) On May 27, 2016, the holders of the Preference Shares approved that all the Preference Shares, including Series A, Series B and Series C, had been converted into an equal number, 41,614,397 of Ordinary Shares, which increase $ 41,614 of the share capital and $64,557,452 of capital surplus.

7) On May 27, 2016, the shareholders' meeting resolved the adjustment of par value from US$0.001 to NT$10 and the share split at a ratio of 1-for-2 after the conversion of Preference Shares into Ordinary Shares for the purpose of the proposed initial public offering and listing on TPEx. The accompanying consolidated financial statements have been retroactively adjusted to take the share split into account for the year presented.

8) On May 27, 2016, the Company's board of directors resolved to issue 19,667,144 ordinary shares, with a par value of NT$10 each, for consideration of $1.13 per share, which increased the share capital to $36,710,066.

b. Capital surplus

| | December 31, 2016 |
|---|---|
| Arising from issuance of share capital | $ 50,119,257 |
| Arising from employee share options | 5,136,828 |
| | $ 55,256,085 |

c. Retained earnings and dividend policy

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

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

The Company's accumulated deficit for 2016 was as follows:

| | Amount |
|---|---|
| Accumulated deficit at the beginning of the year | $ (41,342,180) |
| Net loss in 2016 | (9,049,103) |
| Accumulated deficit at the end of the year | $ (50,391,283) |

## 14. LICENSE AGREEMENTS

### Array Biopharma

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

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

### Bristol-Myers Squibb

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

After the Company completed the phase 1 clinical trial and began the Phase 2 development, 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 $10,000,000 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 $1,294,034 which was delivered in 2016. Such amount was recorded in the accounts receivable as of December 31, 2016 and was collected during the first quarter of 2017. As Bristol-Myers Squibb assumes the responsibility for all development and commercialization activities and expenses and the Company currently has no further obligations under the license agreement, the Company recognized $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 amended agreement, executed on December 2015, granting an exclusive, worldwide license to develop, manufacture and commercialize ASLAN003 products for all human diseases with primary focus on oncology diseases, excluding dermatological disease or topical formulations. Under the license agreement, Almirall is eligible to receive the 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 2014, to develop 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. Under the license agreement, the Company agreed to fund and develop ASLAN004 through to clinical proof of concept in a development program conducted primarily in Asia, targeting patients suffering moderate persistent to severe allergic asthma whose disease is not adequately controlled by existing treatments. Upon achievement of clinical proof of concept, the Company will collaborate or out-license to third parties for the further Phase 3 development and commercialization. Under the license agreement, the Company will pay to CSL a significant portion of the proceeds from out-licensing as royalties.

**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 in South Korea, and the Company has received an option payment of $250,000 from Hyundai in 2016. As the Company is not obligated to perform further activities, such payment was recognized as revenue, and the related cost of royalty in the amount of $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 is eligible for additional regulatory and commercial milestones payments as well as royalties on product sales in the future.

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

The Company entered a licensing agreement with ETPL, in August 2016, to license a novel immuno-oncology antibody, targeting *recepteur d'origine nantais* ("RON"), which the Company refers to as ASLAN005, with a license fee of SG$100,000 ($73,400) 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 the milestone payments and royalties calculated basing on the sales generated by the Company.

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

**Nanyang Technological University**

The Company entered into a licensing and research collaboration agreement with Nanyang Technological University in October 2016, for the development of Modybodies against three targets of the Company's choice. The Company has an exclusive option, under pre-negotiated terms, to obtain global rights to develop and commercialize Modybodies. If the Company exercises the option, the Company will be required to pay an upfront fee. As of December 31, 2016, the Company has not exercised this option.

## 15. LOSS BEFORE INCOME TAX

a. Other gains and losses

| | For the Year Ended December 31, 2016 |
|---|---|
| Net foreign exchange gains | $ 165,807 |
| Others | 8,888 |
| | $ 174,695 |

b. Finance costs

| | For the Year Ended December 31, 2016 |
|---|---|
| Interest on EDB loan | $ 417,812 |
| Preference share dividend | 87,889 |
| Interest on CSL loans | 18,437 |
| | $ 524,138 |

c. Depreciation and amortization

| | For the Year Ended December 31, 2016 |
|---|---|
| Property, plant and equipment | $ 65,874 |
| Computer software | 10,010 |
| | $ 75,884 |

All depreciation and amortization expenses are recorded as operating expenses for the year ended December 31, 2016.

d. Employee benefits expense

| | For the Year Ended December 31, 2016 |
|---|---|
| Short-term benefits | $ 5,212,357 |
| Post-employment benefits | 251,187 |
| Share-based payments (Note 18) | |
| Equity-settled share-based payments | 1,419,923 |
| Total employee benefits expense | $ 6,883,467 |
| Summary of employee benefits expense by function Operating expenses | $ 6,883,467 |

Under the Company's Articles, the Company accrued employees' compensation and remuneration of directors and supervisors at the rates no less than 0.1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The Company had accumulated deficits for the year ended December 31, 2016; therefore, no bonus to employees and remuneration to directors and supervisors had been accrued.

## 16. INCOME TAX EXPENSE

| | For the Year Ended December 31, 2016 |
|---|---|
| Current tax | |
| Current tax expenses recognized for the current period | $ — |

A reconciliation of income tax expense calculated at the statutory rate and income tax expense was as follows:

| | For the Year Ended December 31, 2016 |
|---|---|
| Income before income tax | $ (9,049,103) |
| Income tax expense calculated at the statutory rate (17%) | $ (1,538,347) |
| Nondeductible expenses in determining taxable income | 473,085 |
| Additional tax deduction on approved research and development expenses | (990,065) |
| Unrecognized loss carryforwards | 2,055,327 |
| Income tax expense recognized in profit or loss | $ — |

a. Cayman Islands

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

b. Singapore

ASLAN Pharmaceuticals Pte. Ltd. is subject to the statutory rate of 17% for the years ended December 31, 2016. As of December 31, 2016, the Company has unrecognized tax losses of approximately $59,925,828 available for offset against future taxable income subject to the provision of the Singapore Income Tax Act and agreement with the Comptroller of Income Tax. The potential deferred tax benefits relating to tax losses have not been recognized in the financial statements as the realization is not certain.

c. Taiwan

ASLAN Pharmaceuticals Taiwan Limited incorporated in Taiwan is subject to the statutory rate of 17%. ASLAN Pharmaceuticals Taiwan Limited has no taxable income for all periods presented and therefore, no provision for income taxes is required. As of December 31, 2016, there were no imputation credits which can be allocated to the shareholders of ASLAN Pharmaceuticals Taiwan Limited. The tax returns of ASLAN Pharmaceuticals Taiwan Limited through 2014 have been assessed by the tax authorities.

d. Australia

ASLAN Pharmaceuticals Australia Pty Ltd. incorporated in Australia is subject to corporate income tax at a rate of 30%. ASLAN Pharmaceuticals Australia Pty Ltd. has no taxable income for all periods presented and therefore, no provision for income taxes is required.

e. Hong Kong

ASLAN Pharmaceuticals Hong Kong Limited is incorporated in Hong Kong. Companies registered in Hong Kong are subject to Hong Kong Profits Tax on the taxable income as reported in their respective statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate is 16.5% in Hong Kong. For the years ended December 31, 2016, ASLAN Pharmaceuticals Hong Kong Limited did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earned in Hong Kong for any of the periods presented. 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 remittance of dividends.

f. China

ASLAN Pharmaceuticals (Shanghai) Co. Ltd. is incorporated in China and is subject to the statutory rate of 25% for the years ended December 31, 2016 in accordance with the Enterprise Income Tax law (the "EIT Law"). ASLAN Pharmaceuticals (Shanghai) Co. Ltd. has no taxable income for all periods presented and therefore, no provision for income taxes is required.

## 17. LOSS PER SHARE

| | For the Year Ended December 31, 2016 |
|---|---|
| Basic and diluted loss per share | $ (0.09) |

The loss and weighted average number of ordinary shares outstanding in the computation of loss per share from continuing operations were as follows:

| | For the Year Ended December 31, 2016 |
|---|---|
| Loss used in the computation of loss per share | $ (9,049,103) |
| Weighted average number of ordinary shares in computation of loss per share | 105,027,040 |

If the outstanding convertible preference shares and employee share options issued by the Company were converted to ordinary shares and were anti-dilutive, such impact would be excluded from the computation of diluted earnings per share. For the year ended December 2016, 34,678,664 weighted average number of outstanding convertible preference shares and 12,884,672 weighted average number of employee share options were excluded from the computation of diluted earnings per share because their impact was anti-dilutive.

## 18. SHARE-BASED PAYMENT ARRANGEMENTS

**Employee Share Option Plan of the Company**

Under the Company's Employee Share Option Plan, qualified employees of the Company and its subsidiaries were granted 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 to reflect the subdivision ratio of the share split made in connection with

the corporate restructuring. The exercise price for each award was correspondingly adjusted by a decrease of 50%. The modification did not cause any incremental adjustment to the fair value of the granted awards. As of December 31, 2016, the total outstanding options are 13,916,922 shares.

Information on employee share options was as follows:

| | For the Year Ended December 31, 2016 | |
|---|---|---|
| | Number of Options | Weighted-average Exercise Price |
| Balance at January 1 | 5,946,461 | $ 1.27 |
| Options granted | 1,032,250 | 2.26 |
| Options forfeited | (20,250) | 1.36 |
| Balance at December 31 | 6,958,461 | 1.42 |
| Options exercisable, end of period | 4,830,503 | 1.20 |
| Weighted-average fair value of options granted ($) | $ 1.14 | |

Information about outstanding options as of December 31, 2016 was as follows:

| July 2016 | | July 2015 | | July 2014 | | July 2013 | | July 2012 | | July 2011 | | July 2010 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Range of Exercise Price | Weighted-average Remaining Contractual Life (Years) | Range of Exercise Price | Weighted-average Remaining Contractual Life (Years) | Range of Exercise Price | Weighted-average Remaining Contractual Life (Years) | Range of Exercise Price | Weighted-average Remaining Contractual Life (Years) | Range of Exercise Price | Weighted-average Remaining Contractual Life (Years) | Range of Exercise Price | Weighted-average Remaining Contractual Life (Years) | Range of Exercise Price | Weighted-average Remaining Contractual Life (Years) |
| $2.26 | 9.8 | $ 1.36-$1.88 | 8.8 | $ 1.36 | 7.8 | $ 0.8-$1.36 | 6.8 | $ 0.8 | 5.8 | $ 0.2-$0.8 | 4.8 | $ 0.2-$0.8 | 3.8 |

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

| | July 2016 | July 2015 | July 2014 | July 2013 | July 2012 | July 2011 | July 2010 |
|---|---|---|---|---|---|---|---|
| Grant-date share price | $2.26 | $1.88 | $1.36 | $1.36 | $1.25 | $0.8 | $0.8 |
| Exercise price | $2.26 | $1.36-$1.88 | $1.36 | $0.8-$1.36 | $0.8 | $0.2-$0.8 | $0.2-$0.8 |
| Expected volatility | 39.34% | 36.37% | 50.86% | 50.58% | 52.25% | 54.26%-54.44% | 59.16% |
| Expected life (years) | 10 years | 10 years | 10 years | 10 years | 10 years | 10 years | 10 years |
| Expected dividend yield | — | — | — | — | — | — | — |
| Risk-free interest rate | 1.46% | 2.43% | 2.58% | 2.5% | 1.61% | 2.96%-3.22% | 2.954% |

Expected volatility was based on the historical share price volatility of the comparable companies over the past 4 years.

Compensation cost recognized was $1,419,923 for the years ended December 31, 2016.

## 19. OPERATING LEASE ARRANGEMENTS

Operating leases relate to leasing of office space. The future minimum lease payments of non-cancellable operating lease commitments were as follows:

| | December 31, 2016 |
|---|---|
| Less than 1 year | $ 309,220 |
| Between 1 and 5 years | 485,053 |
| Total | $ 794,273 |

## 20. CAPITAL MANAGEMENT

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

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

For the year ended December 31, 2016, there is no change in the Group's capital management policy, and the Group is not subject to any externally imposed capital requirements.

## 21. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

Financial instruments held by the Group were not measured at fair value. Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

b. Categories of financial instruments

| | December 31, 2016 |
|---|---|
| Financial assets | |
| Loans and receivables (1) | $53,155,861 |
| Financial liabilities | |
| Financial liabilities measured at amortized cost (2) | 12,139,230 |

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

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

c. Financial risk management objectives and policies

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

1) Market risk

The Group's activities exposed it primarily to the market risks of changes in foreign currency exchange rates, interest rates and other price risk.

a) Foreign currency risk

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

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

| | December 31, 2016 | | |
|---|---|---|---|
| | Foreign Currencies | Exchange Rate | Carrying Amount |
| Financial assets | | | |
| Monetary items SG$ | $ 1,627,096 | 0.6916 | $1,125,364 |
| Financial liabilities | | | |
| Monetary items SG$ | 12,051,989 | 0.6916 | 8,335,631 |

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. 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 an increase in pre-tax profit or equity where the US dollar strengthens 5% against the relevant currency. For a 5% weakening of the US dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

| | For the Year Ended December 31, 2016 |
|---|---|
| Profit or loss SG$* | $ (360,513) |

* This is mainly attributable to the exposure to foreign currency denominated deposits in bank and loans of the Group outstanding at the balance sheet dates.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The Group's interest rate risk was mainly concentrated in the fluctuation of the benchmark interest rate arising from long-term borrowings.

The sensitivity analysis below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended December 31, 2016 would decrease by $83,356.

2) Credit risk

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

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

## 22. TRANSACTIONS WITH RELATED PARTIES

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

**Compensation of Key Management Personnel**

| | For the Year Ended December 31, 2016 |
|---|---|
| Short-term employee benefits | $ 2,276,467 |
| Post-employment benefits | 75,989 |
| Share-based payments | 1,078,054 |
| | $ 3,430,510 |

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

## 23. SEGMENT INFORMATION

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

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

| | For the Year Ended December 31, 2016 |
|---|---|
| Out-licensing | $ 10,250,000 |
| Others | 1,296,971 |
| | $ 11,546,971 |

Out-licensing is the revenue generated from out-license to Hyundai of $250,000 and Bristol-Myers Squibb of $10,000,000. Others is the revenue generated from the sale of research material and 80 hours of consulting service to Bristol-Myers Squibb. See Note 14 for details.

## 24. SUBSEQUENT EVENTS

The subsequent events have been evaluated through December 15, 2017, which is the date the audited consolidated financial statements were available to be issued.

On January 5, 2017, the General Stock Board Applicant Committee of the General Stock Board (Market) of the TPEx approved the Company's application for listing on the TPEx. On January 20, 2017, the 8th session

22nd meeting of the board and supervisors of TPEx passed the resolution. The Company's shares have been listed on the TPEx since June 1, 2017.

On August 23, 2017, the Company's board of directors approved the 2017 SMT Long Term Incentive Plan (the "LTIP"), and the awards may be granted to qualified employees of the Company. This plan is applicable to the senior management team of the Company and is used for long term retention of key management. The aforementioned LTIP is valid for ten years and grantees of the bonus entitlement units can exercise their rights at a cumulative proportion basis after the grant date. The Company shall pay the intrinsic value of the units awarded to the employees at the date of exercise of their award if redeemed by the employee.

On September 25, 2017, the Company granted options to purchase an aggregate of 825,833 ordinary shares at an exercise price of $1.28 per ordinary share to employees pursuant to the Company's 2017 Employee Share Option Plan 1. The options will vest two years after the grant date.

**American Depositary Shares**


**Representing Ordinary Shares**

**PRELIMINARY PROSPECTUS**

**, 2018**

**Leerink Partners** **Piper Jaffray**

**H.C. Wainwright & Co.**

Through and including , 2018 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

## PART II
## INFORMATION NOT REQUIRED IN PROSPECTUS

### Item 6. Indemnification of Directors and Officers.

The registrant is empowered by its Articles to indemnify its directors against any liability they incur by reason of their directorship. The registrant maintains directors' and officers' insurance to insure such persons against certain liabilities. The registrant expects to enter into an indemnification agreement with each of its directors and executive officers.

The underwriting agreement the registrant will enter into in connection with the offering of ADSs being registered hereby provides that the underwriters will indemnify, under certain conditions, the registrant's board of directors and its officers against certain liabilities arising in connection with this offering.

### Item 7. Recent Sales of Unregistered Securities.

Set forth below is information regarding share capital issued by the registrant since November 30, 2014. None of the below described transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Some of the transactions described below involved directors, officers and 5% shareholders and are more fully described under the section titled "Related Party Transactions."

- Since November 30, 2014, the registrant granted options to purchase an aggregate of 7,019,172 ordinary shares with exercise prices ranging from $0.68 to $1.13 to employees pursuant to the registrant's 2014 Employee Share Option Scheme Plan.
- In September 2017, the registrant granted options to purchase an aggregate of 825,833 ordinary shares at an exercise price of $1.28 to employees pursuant to the registrant's 2017 Employee Share Option Plan 1. Since the initial listing of the registrant's ordinary shares on the Taipei Exchange occurred on June 1, 2017, the options granted in September 2017 were granted at an exercise price based on the fair market value of the registrant's ordinary shares, reflected in NT dollars, determined at the closing price listed on the Taipei Exchange as of the date of grant. The closing price of the registrant's ordinary shares listed on the Taipei Exchange on the date of grant was NT$38.50 per share, or $1.28 per share.
- Between November 2015 and January 2016, the registrant issued an aggregate of 21,276,597 Series C Preference Shares to certain investors at a price of $1.88 per share. On May 27, 2016, we implemented a 2-to-1 forward share split of our ordinary shares and preferred shares, or the Stock Split. The foregoing share amounts and price per share do not reflect the Stock Split.
- In January 2016, the registrant issued an aggregate of 632,446 Series C Preference Shares to two service providers at a price of $1.88 per share as compensation for their efforts in assisting the registrant in its Series C financing. The foregoing share amounts and price per share do not reflect the Stock Split.
- In June 2016, the registrant issued an aggregate of 19,667,144 ordinary shares to certain investors at a price of $1.13 per share.

None of the transactions above were conducted in the United States and were not subject to U.S. securities laws. However, if these transactions had been subject to such laws, the offers, sales and issuances of the securities described in the preceding paragraphs would have been exempt from registration either (a) under Section 4(a)(2) of the Securities Act and the rules and regulations promulgated thereunder (including Regulation D and Rule 506), in that the transactions were between an issuer and sophisticated investors or members of its senior executive management and did not involve any public offering within the meaning of Section 4(a)(2), (b) under Regulation S promulgated under the Securities Act in that offers, sales and issuances were not made to persons in the United States and no directed selling efforts were made in the United States, or (c) under Rule 701 promulgated under the Securities Act in that the transactions were underwritten compensatory benefit plans or written compensatory contracts.

**Item 8. Exhibits and Financial Statement Schedules**

***Exhibits***

The exhibits to the registration statement are listed in the exhibit index attached hereto and are incorporated by reference herein.

***Financial Statement Schedules***

None. All schedules have been omitted because the information required to be set forth therein is not applicable or has been included in the consolidated financial statements and notes thereto.

**Item 9. Undertakings.**

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6 hereof, or otherwise, the registrant has been advised that in the opinion of the U.S. Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

## EXHIBIT INDEX

| Exhibit Number | Description of Exhibit |
|---|---|
| 1.1* | Form of Underwriting Agreement. |
| 3.1 | Fifth Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect. |
| 4.1* | Form of Deposit Agreement. |
| 4.2* | Form of American Depository Receipt (included in Exhibit 4.1). |
| 4.3* | Registrant's Specimen Certificate for Ordinary Shares. |
| 5.1* | Opinion of Walkers. |
| 10.1# | ASLAN Pharmaceuticals Limited 2014 Employee Share Option Scheme Plan. |
| 10.2# | ASLAN Pharmaceuticals Limited 2017 Employee Share Option Plan 1. |
| 10.3# | ASLAN Pharmaceuticals Pte. Ltd. 2017 SMT Long Term Incentive Plan. |
| 10.4* | Collaboration and License Agreement, dated July 12, 2011, by and between ASLAN Pharmaceuticals Pte. Ltd. and Array BioPharma Inc. |
| 10.5† | Amended Development and License Agreement, dated December 21, 2015, by and between ASLAN Pharmaceuticals Pte. Ltd. and Almirall, S.A. |
| 10.6**†** | License Agreement, dated May 12, 2014, by and between ASLAN Pharmaceuticals Pte. Ltd. and CSL Limited, as amended. |
| 10.7† | Licensing and Research Collaboration Agreement, dated October 10, 2016, by and between ASLAN Pharmaceuticals Pte. Ltd. and Nanyang Technological University, as amended. |
| 10.8 | Tenancy Agreement in Respect of Unit #12-03 83, Clemenceau Avenue, UE Square, Singapore 239920, dated July 25, 2016, by and between ASLAN Pharmaceuticals Pte. Ltd. and United Engineers Limited. |
| 21.1 | Subsidiaries of the Registrant. |
| 23.1* | Consent of independent registered public accounting firm. |
| 23.2* | Consent of Walkers (included in Exhibit 5.1). |
| 24.1* | Power of Attorney (included on signature page to this registration statement). |

† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and have been separately filed with the Securities and Exchange Commission.

* To be filed by amendment.

# Management contract or compensatory plan, contract or agreement

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Singapore, on , 2018.

**ASLAN Pharmaceuticals Limited**

By: _____
Carl Firth, Ph.D.
Chief Executive Officer and Chairman

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Carl Firth, Ph.D., Kiran Asarpota and Ben Goodger, and each of them, his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for and in his or her name, place and stead, in any and all capacities, to (1) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this Registration Statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (2) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (3) act on and file any supplement to any prospectus included in this Registration Statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (4) take any and all actions which may be necessary or appropriate to be done, as fully for all intents and purposes as he or she might or could do in person, hereby approving, ratifying and confirming all that such agent, proxy and attorney-in-fact or any of his or her substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| _____<br>Carl Firth, Ph.D. | Chief Executive Officer and Chairman *(Principal Executive Officer)* | , 2018 |
| _____<br>Kiran Asarpota | Vice President of Finance *(Principal Financial Officer and Principal Accounting Officer)* | , 2018 |
| _____<br>Abel Ang (representing Advanced Materials Technologies Pte Ltd.) | Director | , 2018 |
| _____<br>Jun Wu, Ph.D. (representing Alnair Investment) | Director | , 2018 |
| _____<br>Lim Chin Hwee Damien (representing BV Healthcare II Pte Ltd.) | Director | , 2018 |

| Signature | Title | Date |
|---|---|---|
| _____ Jerome Shen, Ph.D. | Director | , 2018 |
| _____ Andrew Howden | Director | , 2018 |
| _____ Kelvin Sun | Director | , 2018 |
| _____ Mei-Shu Lai, Ph.D., M.D. | Director | , 2018 |

**SIGNATURE OF AUTHORIZED U.S. REPRESENTATIVE OF THE REGISTRANT**

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of ASLAN Pharmaceuticals Limited has signed this registration statement or amendment thereto on , 2018.

**Authorized U.S. Representative**

**Cogency Global Inc.**

By: _____
Name:
Title:

**Exhibit 3.1**

**THE COMPANIES LAW (AS AMENDED) COMPANY LIMITED BY**

**SHARES**

**FIFTH AMENDED AND RESTATED MEMORANDUM AND**

**ARTICLES OF ASSOCIATION OF**

**ASLAN PHARMACEUTICALS LIMITED**

**(Adopted by Special Resolution passed on 16 August 2016)**

**THE COMPANIES LAW (AS AMENDED) COMPANY LIMITED**

**BY SHARES**

**FIFTH AMENDED AND RESTATED MEMORANDUM OF**

**ASSOCIATION**

**OF**

**ASLAN PHARMACEUTICALS LIMITED**

(Adopted by Special Resolution passed on 16 August 2016)

1. The name of the Company is ASLAN PHARMACEUTICALS LIMITED (the "**Company**").

2. The registered office of the Company is situated at the offices of **Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands** or at such other location as the Directors may from time to time determine.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law of the Cayman Islands (as amended) (the "**Law**").

4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Law.

5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

6. The liability of the shareholders of the Company is limited to the amount, if any, unpaid on the shares respectively held by them.

7. The capital of the Company is **NT$2,000,000,000** divided into **200,000,000** ordinary shares of a nominal or par value of **NT$10.00** each provided always that subject to the Law and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company will not exercise the power contained in Section 226 of the Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

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**COMPANY LIMITED BY SHARES**

**FIFTH AMENDED AND RESTATED**

**ARTICLES OF ASSOCIATION**

**OF**

**ASLAN PHARMACEUTICALS LIMITED**

**(Adopted by Special Resolution passed on 16 August 2016)**

**TABLE A**

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Law shall not apply to ASLAN PHARMACEUTICAL LIMITED (the "**Company**") and the following Articles shall comprise the Articles of Association of the Company.

**INTERPRETATION**

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"**10% Reserve**" has the meaning given thereto in Article 136;

"**Applicable Listing Rules**" means the relevant ROC laws, regulations, rules and code as amended, from time to time, applicable as a result of the original and continued trading or listing of any shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of Securities and Exchange Act, the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area, or any similar statute and the rules and regulations of the Taiwan authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the Taipei Exchange (formally known as GreTai Securities Market) or the Taiwan Stock Exchange;

"**Articles**" means these articles of association of the Company, as amended or substituted from time to time;

"**Audit Committee**" means the audit committee under the Board of Directors, which shall comprise solely of Independent Directors of the Company;

"**Branch Register**" means any branch register of such category or categories of Members as the Company may determine;

"**Chairman**" has the meaning given thereto in Article 96;

"**Class**" or "**Classes**" means any class or classes of Shares as may from time to time be issued by the Company;

"**Commission**" means Financial Supervisory Commission of Taiwan or any other authority for the time being administering the Securities and Exchange Act of Taiwan;

**"Constituent Company"** means an existing company that is participating in a Merger with one or more other existing companies within the meaning of the Law;

"**Directors**" and "**Board of Directors**" and "**Board**" means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;

"**Directors' Remunerations**" has the meaning given thereto in Article 136;

"**electronic**" shall have the meaning given to it in the Electronic Transactions Law (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;

"**electronic communication**" means transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;

"**Emerging Market**" means the emerging market board of the TPEx; "**Employees' Remunerations**" has the meaning given thereto in Article 136; "**Indemnified Person**" has the meaning given thereto in Article 163;

"**Independent Director**" means a director who is an independent director as defined in the Applicable Listing Rules;

"**Law**" means the Companies Law of the Cayman Islands (as amended);

"**Memorandum of Association**" means the memorandum of association of the Company, as amended or substituted from time to time;

"**Merger**" means the merging of two or more Constituent Companies and the vesting of their undertaking, property and liabilities in one of such company as the Surviving Company within the meaning of the Law;

"**Office**" means the registered office of the Company as required by the Law;

"**Ordinary Resolution**" means a resolution passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company;

"**paid up**" means paid up as to the par value and any premium payable in respect of the issue of any Shares and includes credited as paid up;

"**Person**" means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;

"**preferred Shares**" has the meaning given thereto in Article 12;

"**Principal Register**", where the Company has established one or more Branch Registers pursuant to the Law and there Articles, means the Register maintained by the Company pursuant to the Law and these Articles that is not designated by the Directors as a Branch Register;

"**Private Placement**" means issuance of securities of the Company (including Shares, options, warrants, rights attached to debt or equity securities to subscribe further for securities and other securities) to specific persons pursuant to the Applicable Listing

Rules, but excluding any employee incentive programme or issuance of Shares in connection with meeting the Company's obligations under warrants, options, convertible bonds or preferred Shares;

"**Register**" means the register of Members of the Company required to be kept pursuant to the Law and includes any Branch Registers established by the Company in accordance with the Law;

"**Remuneration Committee**" means the remuneration committee established and appointed by the Board of Directors;

"**Republic of China**", "**ROC**" or "**Taiwan**" means the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;

"**Seal**" means the common seal of the Company (if adopted) including any facsimile thereof;

"**Secretary**" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;

"**Securities and Futures Institute**" means the Securities and Futures Institute in the Republic of China;

"**Share**" means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;

"**Share Exchange**" means the transfer of all the issued shares of the Company by the Shareholders to another company in exchange for the shares issued by such company to the Shareholders;

"**Shareholder**" or "**Member**" means a Person who is registered as the holder of Shares in the Register and includes each subscriber to the Memorandum of Association pending the issue to such subscriber of the subscriber Share or Shares;

"**Share Premium Account**" means the share premium account established in accordance with these Articles and the Law;

"**Shareholders' Service Agent**" means the agent licensed by Taiwan authorities to provide certain shareholders services in accordance with the Applicable Listing Rules to the Company;

"**signed**" means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

"**Special Resolution**" means a special resolution of the Company passed in accordance with the Law, being a resolution passed by a majority of not less than two- thirds of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given;

"**Spin-off**" refers to an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company;

"**Subordinate Company**" means a company:

(a) of which the Company holds a majority of the total number of issued voting shares or to which the Company contributes a majority of the total capital amount; or

(b) over which the Company has direct or indirect managerial control of the personnel, financial or business operations.

"**Supermajority Resolution**" means a resolution adopted by a majority vote of the Members at a general meeting attended by Members who represent two-thirds or more of the total outstanding shares of the Company or, if the total number of shares represented by the Members present at the general meeting is less than two-thirds of the total outstanding shares of the Company, but more than one-half of the total outstanding shares of the Company, means instead, a resolution adopted at such general meeting by the Members who represent two-thirds or more of the total number of shares entitled to vote on such resolution at such general meeting;

"**Surviving Company**" means the sole remaining Constituent Company into which one or more other Constituent Companies are merged within the meaning of Law;

"**TPex**" means the Taipei Exchange in Taiwan which was formerly known as GreTai Securities Market;

"**TDCC**" means the Taiwan Depository & Clearing Corporation;

"**Treasury Shares**" means Shares that were previously issued but were purchased, redeemed, surrendered or otherwise acquired by the Company and not cancelled in accordance with the Law, these Articles and the Applicable Listing Rules; and

"**TSE**" means the Taiwan Stock Exchange.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(d) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(e) reference to any determination by the Directors shall be construed as a determination by the Directors in their absolute discretion and shall be applicable either generally or in any particular case; and

(f) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one and partly another.

3. Subject to the last two preceding Articles, any words defined in the Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

**PRELIMINARY**

4. The business of the Company may be commenced at any time after incorporation.

5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The preliminary expenses incurred in the formation of the Company and in connection with the issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Office.

8. If the Directors consider it necessary or appropriate, the Company may establish and maintain one or more Branch Registers as well as the Principal Register at such location or locations within or outside the Cayman Islands as the Directors think fit, provided always that a duplicate of such Branch Register(s) shall be maintained with the Principal Register in accordance with the Law. The Principal Register and the Branch Register(s) shall together be treated as the Register for the purposes of the Articles.

9. For so long as any Shares are traded on the Emerging Market, the TPEx or the TSE, the record of the shareholders of the Company maintained by TDCC shall be a listed shares register.

**SHARES**

10. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may :

(a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and

(b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

11. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) shall be fixed and determined by the Directors.

12. The Company may issue Shares with rights which are preferential to those of ordinary Shares issued by the Company ("**preferred Shares**") with the approval of a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and with the approval of a Special Resolution. Prior to the issuance of any preferred Shares approved pursuant to this Article 12, these Articles shall be amended to set forth the rights and obligations of the preferred Shares, including but not limited to the following terms, and the same shall apply to any variation of rights of preferred Shares:

    (a) order, fixed amount or fixed ratio of allocation of Dividends and bonus on preferred Shares;

    (b) order, fixed amount or fixed ratio of allocation of surplus assets of the Company;

    (c) order of or restriction on the voting right(s) (including declaring no voting rights whatsoever) of preferred Shareholders;

    (d) other matters concerning rights and obligations incidental to preferred Shares; and

    (e) the method by which the Company is authorized or compelled to redeem the preferred Shares, or a statement that redemption rights shall not apply.

13. The issue of new Shares of the Company shall be approved by a majority of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company.

14. The Company shall not issue any unpaid Shares or partly paid-up Shares. The Company shall not issue shares in bearer form.

15. Where the Company increases its issued share capital by issuing new Shares for cash consideration, the Directors may reserve ten to fifteen percent of the new shares for subscription by the employees of the Company or of any of its Subordinate Companies who are determined by the Board in its reasonable discretion.

16. For so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, unless otherwise resolved by the Members in general meeting by Ordinary Resolution, if at anytime the Board resolves to issue any new Share, the Company shall subject to Applicable Listing Rules, after reserving the portion of Shares for subscription by its employees and for public offering in Taiwan pursuant to Article 15 and Article 18 respectively, first offer such remaining new Shares by a written notice and a public announcement to each then Shareholder for their subscriptions in proportion to the number of Shares held by them respectively, and shall state in the notice that if any Shareholder fails to subscribe for new Shares, his right shall be forfeited. Where a fractional percentage of the original Shares being held by a Shareholder is insufficient to subscribe for one new Share, the fractional percentages of the original Shares being held by several Shareholders may be combined for joint

subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Shareholder. New Shares left unsubscribed by original Shareholders may be open for public issuance or for subscription by specific person or persons through negotiation.

17. The Shareholders' pre-emptive right prescribed under Article 16 shall not apply in the event that new Shares are issued due to the following reasons or for the following purpose:

    (a) in connection with a merger with another company, or the Spin-off of the Company, or pursuant to any reorganization of the Company;

    (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options;

    (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;

    (d) in connection with meeting the Company's obligation under preferred Shares vested with rights to acquire Shares; or

    (e) in connection with a Private Placement.

18. Where the Company increases its capital by issuing new Shares for cash consideration in Taiwan, the Company shall allocate 10% of the total amount of the new Shares to be issued, for offering in Taiwan to the public unless it is not necessary or appropriate, according to the Applicable Listing Rules, for the Company to conduct the aforementioned public offering. Provided however, if a percentage higher than the aforementioned 10% is resolved by a general meeting to be offered, the percentage determined by such resolution shall prevail.

19. The Company may, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds or more of the Directors, adopt one or more employee incentive programmes pursuant to which shares, options, warrants, or other similar instruments to acquire Shares may be granted to employees of the Company or any Subordinate Company who meet the requirements and qualifications to subscribe for Shares; provided that, in no event shall the aggregate number of shares to be issued pursuant to such employee incentive programs exceed fifteen percent (15%) of the then total issued and outstanding shares of the Company. The options, warrants, or other similar instruments to acquire Shares granted to any employee under any employee stock option plan shall be non-transferable, except to the heirs of the employees.

20. Subject to Article 49, the Company may, by Special Resolution at the most recent general meeting, transfer Treasury Shares to employees of the Company or of any of its Subordinate Company at less than the average actual repurchase price. The Company shall have listed the following matters with respect to such transfer in the notice of that general meeting and may not raise those matters by ad hoc motions:

    (a) the exercise price, the discount percentage, the bases of calculations, and the reasonableness thereof;

    (b) the number of Treasury Shares to be transferred, the purpose, and the reasonableness thereof;

(c) qualification requirements for employees of the Company or of any of its Subordinate Company subscribing to the Treasury Shares, and the number of Treasury Shares they are allowed to subscribe for;

(d) factors affecting shareholders' equity, including:

(1) the expensable amount, and dilution of the Company's earnings per Share;

(2) explanation on the financial burden imposed on the Company by transferring Treasury Shares to employees at less than the average actual repurchase price.

In previous instances where the transfer of Treasury Share to the employees have been approved at general meetings and the Treasury Shares have been transferred, the aggregate number of Treasury Shares so transferred may not exceed 5 percent of the total issued Shares of the Company, and the aggregate number of Shares subscribed by any single employee may not exceed 0.5 percent of total issued Shares.

21. The Company may issue shares being subject to the restrictions as the Directors may from time to time agree with the employees for subscription by the employees of the Company or any subordinate company by a Supermajority Resolution, in which event Articles 15 and 16 shall not apply. For so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, the issuance of such shares for employees, including but not limited to the issuance amount, issuance price, and issuance conditions, shall be set in compliance with the Applicable Listing Rules.

## MODIFICATION OF RIGHTS

22. Whenever the capital of the Company is divided into different Classes the rights attached to any such Class may (unless otherwise provided by the terms of issue of the Shares of that Class) only be materially adversely varied or abrogated with the sanction of a Special Resolution passes at a separate meeting of the holders of the Shares of that Class, but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons at least holding or representing by proxy one-half in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to the terms of issue of the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him.

23. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them, the redemption or purchase of Shares of any Class by the Company.

## CERTIFICATES

24. Subject to the provisions of the Law, the Company may issue Shares without printing share certificates for the Shares issued, and the details regarding such issue of Shares shall be recorded by TDCC in accordance with the Applicable Listing Rules. Every person whose name is entered as a member in the Register may be entitled to a certificate in the form determined by the Board of Directors if the Board of Directors resolves that a share certificate shall be issued.

25. In the event the Board of Directors resolves that share certificates shall be issued pursuant to Article 24 hereof, the Company shall deliver the share certificates to the subscribers within thirty days from the date such share certificates may be issued pursuant to the Law, the Memorandum of Association, the Articles, and the Applicable Listing Rules, and shall make a public announcement prior to the delivery of such share certificates pursuant to the Applicable Listing Rules.

## FRACTIONAL SHARES

26. Subject to the Applicable Listing Rules and these Articles, the Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

## TRANSFER OF SHARES

27. Subject to the Law, Shares issued by the Company shall be freely transferable, provided that any Shares issued or transferred to the employees of the Company or of any of its Subordinate Companies pursuant to Articles 15 or 21 or 41 may be subject to transfer restrictions for a specific period of time as may be agreed with the Company and such employee and such period for the Shares issued or transferred to the employees pursuant to Article 15 or 41 shall be no longer than two years.

28. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares. Subject to the requirements of applicable laws of the Cayman Islands, transfers of uncertificated Shares which are registered in the Emerging Market or listed in the TPEx or the TSE may be effected by any method of transferring or dealing in securities introduced by the TPEx or TSE or operated in accordance with the Applicable Listing Rules as appropriate.

29. The Board may decline to register any transfer of any Share unless:

(a) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of Shares;

(c) the instrument of transfer is properly stamped, if required; or

(d) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four.

30. The registration of transfers may be suspended when the Register is closed in accordance with Article 53.

31. All instruments of transfer that are registered shall be retained by the Company, but any instrument of transfer that the Directors decline to register shall (except in any case of fraud) be returned to the Person depositing the same.

## TRANSMISSION OF SHARES

32. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased holder of the Share, shall be the only Person recognised by the Company as having any title to the Share.

33. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made. If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

34. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

## ALTERATION OF SHARE CAPITAL

35. The Company may from time to time by Ordinary Resolution increase its authorized share capital by such amount as it thinks expedient.

36. The Company may also by Special Resolution:

(a) change its name;

(b) alter or add to these Articles;

(c) alter or add to the Memorandum of Association with respect to any objects, powers or other matters specified therein; and

(d) reduce its share capital and any capital redemption reserve in any manner authorised by law.

37. The Company may also by Supermajority Resolution:

(a) enter into, amend, or terminate any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;

(b) transfer the whole or any material part of its business or assets;

(c) take over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;

(d) effect any merger (other than a Merger) or Spin-off of the Company in accordance with the Applicable Listing Rules;

(e) grant waiver to the Director's engaging in any business within the scope of the Company's business;

(f) discharge or remove any Director;

(g) resolve to capitalize an amount standing to the credit of reserves (including a share premium account and/or profit account), whether or not available for distribution, or subject to Cayman Islands law, distribute cash out of legal reserve, the premium paid on the issuance of any share and income from endowments received by the Company to the Shareholders

(h) issue employee stock options where the exercise price for such options is lower than the closing price of the Shares of the Company as of the issuance date (provided such exercise price shall not be less than the par value per Share).

38. Subject to the Law, these Articles and the quorum requirement under the Applicable Listing Rules, with regard to the dissolution procedures of the Company, the Company shall pass:

(a) an Ordinary Resolution, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or

(b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 38 (a) above.

39. In the event any of the resolutions with respect to the paragraph (a), (b), or (c) of the preceding Article 37 is adopted by the Shareholders at a general meeting or a Merger is approved in accordance with the provisions of the Law, any Shareholder who has notified the Company in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Shareholder shall have the abovementioned appraisal right if the Shareholders at a general meeting resolve on the dissolution of the Company after the completion of transfer of business or assets under the paragraph (b) of Article 37. In the event any part of the Company's business is Spun Off or involved in any merger or Share Exchange with any other company, the Shareholder, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally (with a record) before or during the general meeting, may request the Company to buy back all of his Shares at the then prevailing fair price. In the event the Company fails to reach such

agreement with the Shareholder within sixty days after the resolution date, the Shareholder may, within thirty days after such sixty-day period, file a petition to any competent court of Taiwan for a ruling on the appraisal price, and to the extent that the ruling is capable of enforcement and recognition in the relevant jurisdiction, such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Shareholder solely with respect to the appraisal price.

## REDEMPTION AND PURCHASE OF SHARES

40. Subject to the Law, the Applicable Listing Rules and these Articles, the Company may issue preferred Shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder on such terms and in such manner as the Company may by Special Resolution, before the issue of such Shares, determine. Subject to the Law, the preferred shares shall be redeemable pursuant to the terms; provided that the privileges accorded to preferred shareholders by these Articles shall not be impaired.

41. For so long as the Shares are registered in the Emerging Market or the TPEx or TSE, matters with respect to the purchase of its own Shares by the Company shall be approved by the Board of Directors in compliance with the Applicable Listing Rules and the Law.

42. Notwithstanding Articles 40 and 41 and subject to the Law, the Company may with the sanction of an Ordinary Resolution purchase and cancel its own Shares out of the share capital of the Company. The number of Shares to be repurchased and cancelled pursuant to this Article shall be pro rata among the Shareholders in proportion to the number of Shares held by each such Shareholder.

    The amount payable to the Shareholders in connection with a repurchase of Shares out of the share capital of the Company may be paid in cash or by way of delivery of assets in specie (i.e., non-cash). The assets to be delivered and the amount of such substitutive share capital in connection with a repurchase of Shares out of the share capital of the Company shall be approved by the Shareholders at the general meeting and shall be subject to consent by the Shareholder receiving such assets. Prior to the general meeting considering such repurchase, the Board of Directors shall have the value of assets to be delivered and the amount of such substitutive share capital in respect of repurchase of the Shares audited and certified by an ROC certified public accountant.

43. The number of Shares purchased by the Company pursuant to the preceding Article 41 shall not exceed ten percent (10%) of the total number of issued Shares of the Company. The total price of the Shares so purchased shall not exceed the sum of retained earnings plus the premium paid on the issuance of any share and income from endowments received by the Company.

44. The Directors or managerial officers of the Company, or their spouse, minor children (under age of 20), or any other persons who hold the Shares for the benefits of the Directors, officers, their spouses or minor children, shall not sell or otherwise transfer their Shares during the period when the Company is purchasing its own Shares pursuant to the Article 41.

45. The resolution for the purchase of the Shares by the Company pursuant to the Article 41 and the implementation thereof shall be reported in the most recent general meeting regardless of whether the Company does purchase the Shares in accordance with such resolution or not.

46. Any Share in respect of which notice of redemption has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the notice of redemption.

47. The redemption, purchase of any Share shall not be deemed to give rise to the redemption, purchase of any other Share.

48. Subject to the Law, the Applicable Listing Rules and Article 42, the Directors may when making payments in respect of redemption or purchase of Shares, if authorised by the terms of issue of the Shares being redeemed or purchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie.

## TREASURY SHARES

49. Subject to Article 41, Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be cancelled immediately or held as Treasury Shares in accordance with the Law. In the event that the Directors do not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.

50. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) and the allotment of bonus shares may be declared or paid in respect of a Treasury Share.

51. The Company shall be entered in the Register as the holder of the Treasury Shares provided that:

(a) the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;

(b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Law.

52. Subject to Articles 20 and 41 and the Applicable Listing Rules, Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

## CLOSING REGISTER OR FIXING RECORD DATE

53. For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period. For so long as the Shares are registered in the Emerging Market or listed in the TPEx or TSE, the Register shall be closed not less than the minimum period, as prescribed by the Applicable Listing Rules.

54. The Directors shall make a public announcement of the closing of the Register on the website designated by the Commission and the TPEx or TSE pursuant to the Applicable Listing Rules, if required.

## GENERAL MEETINGS

55. All general meetings other than annual general meetings shall be called extraordinary general meetings.

56. The Board may, whenever they think fit, convene a general meeting of the Company; provided that the Company shall in each year hold a general meeting as its annual general meeting within six months after close of each fiscal year and shall specify the meeting as such in the notices calling it.

57. At these meetings the report of the Directors (if any) shall be presented. For so long as the Shares are registered in the Emerging Market or listed in the TPEx or TSE, all general meetings shall be held in Taiwan. If the Directors resolve to hold a general meeting outside Taiwan or the shareholder(s) obtain the approval of the Commission to hold a general meeting outside Taiwan, the Company or such shareholders shall apply for the approval of the TPEx (or the TSE, if applicable) thereof within two days after the board resolution or the Commission's approval (as applicable). Where a general meeting is to be held outside Taiwan, the Company shall engage a designated institute approved by the Commission and the TPEx (or the TSE, if applicable) to handle the administration of such general meeting and shall allow the votes of the Shareholders to be exercised in writing or by way of electronic transmission.

58. Extraordinary general meetings shall also be convened on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding at least three percent (3%) of the paid up voting share capital of the Company for a period of one year or a longer time deposited at the Office or the Shareholders' Service Agent specifying the subjects for discussion and the reasons, and if the Board fails to give a notice for convening such meeting within 15 days after the date of such deposit, for so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company. However, any meeting convened pursuant to this Article shall be held within three months after the expiration of the said 15-day period.

59. If at any time there are no Directors, any Shareholder or Shareholders holding at least three percent (3%) of the paid up voting share capital of the Company for a period of one year or a longer time may, subject to the approval of the Commission for so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, convene a general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.

## NOTICE OF GENERAL MEETINGS

60. At least thirty and fifteen days' notices in writing shall be given for any annual and extraordinary general meetings, respectively. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual recipients. The Company shall make a public announcement on the website designated by the Commission and the TPEx or TSE 30 days before an annual general meeting or 15 days before an extraordinary general meeting, regarding the meeting notice, proxy

form, explanatory materials relating to proposals for ratification, matters for resolution, election or dismissal of directors and other matters on the meeting agenda. Where votes of shareholders are to be exercised by way of a written ballot, a copy of the materials referred to in the preceding provision and the written ballot shall also be sent to the Shareholders.

61. The following matters shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions:

(a) election or discharge of directors;

(b) amendments to these Articles;

(c) dissolution, merger, Share Exchange or Spin-off of the Company;

(d) repurchasing and cancelling Shares out of the share capital of the Company pursuant to Article 42;

(e) applying for the cessation of its status as a public company;

(f) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;

(g) the transfer of the whole or any material part of its business or assets;

(h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;

(i) carrying out private placement of its securities;

(j) granting waiver to the Director's engaging in any business within the scope of business of the Company;

(k) distributing part or all of its dividends or bonus by way of issuance of new Shares;

(l) capitalization of the statutory reserve or any other amount prescribed under Article 151 hereof;

(m) issuance of employee stock options where the exercise price for such options is lower than the closing price of the Shares of the Company as of the issuance date; and

(n) matters with respect to the issuance of restricted Shares for the employees as required by the Applicable Listing Rules.

62. For so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, the Company shall prepare a manual for each general meeting and the relevant materials, which will be made available to all Shareholders and shall be published on the website designated by the Commission and the TPEx or TSE pursuant to the Applicable Listing Rules.

## PROCEEDINGS AT GENERAL MEETINGS

63. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, the holders of Shares being more than an aggregate of one-half of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes.

64. Shareholder(s) holding one percent or more of the total number of issued Shares immediately prior to the relevant book close period may propose in writing to the Company a proposal for discussion at an annual general meeting. Where the number of Shares held by the Shareholder(s) making the said proposal is less than one percent (1%) of the total number of issued Shares, or where the subject (the matter) of the said proposal cannot be settled or resolved by a resolution at a general meeting, or that a proposal contains more than one matter, or that a proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting shareholders' proposals, such proposal shall not be included in the agenda.

65. The Chairman, if any, of the Board of the Directors shall preside as chairman at every general meeting of the Company convened by the Board of the Directors. For a general meeting convened by any other person having the convening right, such person shall act as the chairman of that meeting; provided that if there are two or more persons jointly having the convening right, the chairman of the meeting shall be elected from those persons.

66. If there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director nominated by the Directors shall preside as chairman, failing which the Shareholders present shall choose any Person present to be chairman of that meeting.

67. Unless otherwise expressly provided herein, if a quorum is not present at the time appointed for the general meeting or if during such a general meeting a quorum ceases to be present, the chairman may postpone the general meeting to a later time, provided, however, that the maximum number of times a general meeting may be postponed shall be two and the total time postponed shall not exceed one hour. If the general meeting has been postponed for two times, but at the postponed general meeting a quorum is still not present, the chairman shall declare the general meeting is dissolved, and if it is still necessary to convene a general meeting, it shall be reconvened as a new general meeting in accordance with these Articles. The chairman may by Ordinary Resolution (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for more than five (5) days, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

68. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting.

69. Unless otherwise expressly required by the Law or these Articles, any matter which has been presented for resolution, approval, confirmation or adoption by the Shareholders at any general meeting may be passed by an Ordinary Resolution.

70. The minutes of the general meeting shall be distributed to each Shareholder after the meeting and/or made public pursuant to the Applicable Listing Rules.

71. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

## VOTES OF SHAREHOLDERS

72. Subject to any rights and restrictions for the time being attached to any Share, every Shareholder and every Person representing a Shareholder by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder. For so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, subject to the laws of the Cayman Islands and in accordance with the Applicable Listing Rules, a Shareholder shall not exercise the votes with respect to the Shares he/it holds separately unless he/it holds certain Shares for the benefit of others; the qualifications, scope, methods of exercise, operating procedures and other matters with respect to the exercise of votes separately by the Shareholders shall be in compliance with the Applicable Listing Rules.

73. No vote may be exercised with respect to any of the following Shares and such Shares shall not be counted in determining the number of issued Shares:

(a) the Shares held by any subsidiary of the Company, where the total number of voting shares or total shares equity held by the Company in such a subsidiary represents more than one half of the total number of voting shares or the total shares equity of such a subsidiary; or

(b) the Shares held by another company, where the total number of the shares or total shares equity of that company held by the Company and its subsidiaries directly or indirectly represents more than one half of the total number of voting shares or the total share equity of such a company.

For so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, if a Director gives security over more than 50% of the number of Shares (the "Pledged Shares") he/it held at the time he/it was elected as a Director (the "Initial Shares"), no vote may be exercised with respect to the Shares representing the difference between the Pledged Shares and 50% of the Initial Shares, and such Shares representing the difference between the Pledged Shares and 50% of the Initial Shares shall not be counted in the number of the votes casted by the Shareholders present at the general meeting. The voting restriction referred to in the preceding provision shall also apply to such Shares held by a Person who ceases to be a Director during the period when the Register is closed for transfer for the purpose of the same general meeting.

74. In the case of joint holders, the joint holders shall select among them a representative for the exercise of their shareholder's rights and the vote of their representative who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.

75. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in mental illness, may vote by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote by proxy.

76. A Shareholder may appoint a proxy to attend a general meeting on his behalf by executing a proxy prepared by the Company stating therein the scope of power authorized to the proxy. A Shareholder may only execute one proxy and appoint one proxy for each general meeting, and shall serve such written proxy to the Company no later than five (5) days prior to the meeting date. In case the Company receives two or more written proxies from one Shareholder, the first one arriving at the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later. In case a Shareholder who has submitted a proxy appointing a person as his or her proxy to attend the general meeting on his or her behalf intends to attend the general meeting in person or to submit his votes by way of a written ballot or by way of electronic transmission, he shall, at least two days prior to the date of the meeting revoke such proxy. If a Shareholder who has submitted a proxy does not submit such a revocation before the prescribed time, the appointment of that person as his or her proxy and the vote casted by that person as his or her proxy shall prevail.

77. The instrument appointing a proxy shall be in the form approved by the Board and be expressed to be for a particular meeting only.

78. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.

79. Except for trust enterprises organized under the laws of the ROC or Shareholders' Service Agents approved by Taiwan competent authorities, when a person who acts as the proxy for two or more Shareholders, the number of votes represented by him shall not exceed three percent (3%) of the total number of votes of the Company and the portion of excessive votes represented by such proxy shall not be counted.

80. For so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, the use and solicitation of proxies shall be in compliance with the Applicable Listing Rules, including but not limited to "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".

81. A Shareholder cannot exercise his own vote or by proxy on behalf of another Shareholder in respect of any contract or proposed contract or arrangement if he may be interested therein. Such Shares shall not be counted in determining the number of votes of the Shareholders present at the said meeting with regard to such resolution, but such Shares may be counted in determining the number of Shares represented at the meeting for the purposes of determining the quorum.

82. The votes may be exercised by way of a written ballot or by way of electronic transmission if the method for exercising the votes has been described in the notice of the general meeting. The Company shall adopt the electronic transmission as one of the methods for exercising the votes if so required pursuant to the Applicable Listing Rules. Where the Company allows the votes of the Shareholders to be exercised by way of a written ballot or by way of electronic transmission, it shall have listed all proposals and matters in the notice that general meeting and may not raise any matter by ad hoc motions; the Company shall adopt the candidate nomination mechanism in accordance with the Applicable Listing Rules if the Shareholders will elect directors at such general meeting.

83. A Shareholder who exercises his votes by way of a written ballot or by way of electronic transmission as set forth in the preceding Article 82 shall be deemed to have, to the extent permitted by the Cayman Islands law and the Applicable Listing Rules, appointed the chairman of the meeting as such Shareholder's proxy and such appointment shall not be treated as an appointment of any proxy as defined under the Applicable Listing Rules but any Shareholder voting in such manner shall be deemed to waive notice of, and the right to vote in regard to, any ad hoc motion or amendment to the original agenda items to be resolved at the said general meeting, and shall therefore not be entitled to such notice or right to vote. The chairman of the meeting shall vote on behalf of such Shareholders according to their voting instructions. In the event that the chairman of the meeting does not vote on behalf of such Shareholders according to their voting instructions, such votes shall not be counted in determining the number of votes of the Shareholders present at the said meeting provided that such shares may be counted in determining the number of shares of the Shareholders present at such general meeting for the purpose of determining the quorum.

84. A Shareholder shall submit his vote by way of a written ballot or by way of electronic transmission to the Company no later than the second (2nd) day prior to the scheduled meeting date of the general meeting; whereas if two or more such written ballot or electronic transmission are submitted to the Company, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 82 by the first written ballot or transmission shall prevail unless it is expressly included in the subsequent vote by written ballot or electronic transmission that the original vote submitted by written ballot or electronic transmission be revoked.

85. In case a Shareholder who has exercised his votes by way of a written ballot or by way of electronic transmission intends to attend the general meeting in person, he shall, at least two days prior to the date of the meeting revoke such vote by written ballot or electronic transmission and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting pursuant to Article 84. If a Shareholder who has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 83 does not submit such a revocation before the prescribed time, his or her vote by written ballot or electronic transmission and the proxy deemed to be given to the chairman of the general meeting pursuant to Article 83 shall prevail.

86. If a Shareholder has submitted his or her vote in writing or by way of electronic transmission pursuant to Article 83, and has subsequently submitted a proxy appointing a person as his or her proxy to attend the general meeting on his or her behalf, the subsequent appointment of that person as his or her proxy shall be deemed to be a revocation of such Shareholder's deemed appointment of the chairman of the general meeting as his or her proxy pursuant to Article 83 and the vote casted by that person subsequently appointed as his or her proxy shall prevail.

87. In case the procedure for convening a general meeting of Members or the method of adopting resolutions is in violation of the Law, Applicable Listing Rules or these Articles, a Shareholder may, within thirty (30) days from the date of the resolution, submit a petition for an appropriate remedy to the court of the Cayman Islands or Taiwan, and if Taiwan, the Taipei District Court as the court of first instance to the extent available under the relevant laws.

## CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

88. Any government or corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as

its representative at any meeting of the Company or of any meeting of holders of a Class or of the Board of Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the government/corporation which he represents as that government/corporation could exercise if it were an individual Shareholder or Director.

## DIRECTORS

89. Unless otherwise determined by the Company in general meeting, the number of Directors shall be no less than five Directors and no more than nine Directors, the exact number of Directors to be determined from time to time solely by an Ordinary Resolution of the general meeting. For so long as the Shares are listed on the TPEx or TSE, the Directors shall include such number of Independent Directors as applicable law, rules or regulations or the Applicable Listing Rules require for a foreign issuer.

90. For so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, the qualifications, composition, election, removal, duties and powers and other relevant matters of Directors, Independent Directors, Audit Committee and Remuneration Committee shall be in compliance with the Applicable Listing Rules.

91. The Shareholders may in a general meeting appoint natural person or corporation to be a Director. At a general meeting of election of Directors, the number of votes exercisable in respect of one Share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director so elected.

92. So long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, the Company shall adopt a candidate nomination mechanism for the election of the Directors and Independent Directors which is in compliance with Applicable Listing Rules. The rules and procedures for such candidate nomination shall be in accordance with policies established by the Directors and by an Ordinary Resolution from time to time, which policies shall be in accordance with the Law, these Articles and the Applicable Listing Rules.

93. Subject to these Articles, the term for which a Director will hold office shall be three years; thereafter he/she may be eligible for re-election. In case no election of new Directors is effected after expiration of the term of office of the existing Directors, the term of office of such Directors shall be extended until the time new Directors are elected and assume their office.

94. A Director may be discharged at any time by a Supermajority Resolution adopted at a general meeting. If a Director is discharged during the term of his/her office as a director without good cause, such Director may make a claim against the Company for any and all damages sustained by him/her as a result of such discharge.

95. If prior to the expiration of the term of the existing Directors, the shareholders elect new Directors to replace all existing Directors, unless otherwise resolved at such general meeting, the existing Directors' office shall be deemed discharged immediately upon the appointment of such new Directors.

96. The Board of Directors shall have a Chairman (the "**Chairman**") elected and appointed by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office. The period for which the Chairman

will hold office will also be determined by a majority of the Directors present at the Board meeting with a quorum of at least two-thirds of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.

97. The Board may, from time to time, and except as required by the applicable laws and Applicable Listing Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

98. A Director shall not be required to hold any Shares in the Company by way of qualification.

## DIRECTORS' FEES AND EXPENSES

99. The remuneration of the Directors may only be paid in cash. The amount of such remuneration is authorized to be decided by the Board of Directors, taking into account suggestions made by the Remuneration Committee, the extent and value of the services provided for the management of the Company and the standard of the same industry worldwide. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of Shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.

100. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.

## ALTERNATE DIRECTOR

101. Any Director may in writing appoint another Director to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to act in such Director's place at any meeting of the Directors at which he is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall not be an officer of the Company. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

102. Any Director may appoint another Director to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director at a meeting or meetings of the Directors which that Director is unable to attend personally. A proxy of a Director shall accept an appointment to act as the proxy of one other Director only. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form

as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

## POWERS AND DUTIES OF DIRECTORS

103. Subject to the Law, these Articles, Applicable Listing Rules and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

104. A Director shall have loyalty and shall exercise due care of a good administrator in conducting the business operations of the Company; and if he/she has acted contrary thereto, he/she may be liable for the damages sustained by the Company therefrom. If the Director does anything for himself/herself or on behalf of another person in violation of the preceding provision subject to Cayman Islands law the Shareholders may, by Ordinary Resolution, consider the benefits to such Director as a result of such act as benefits of the Company and request the relevant Director to return the benefits. If a Director has, in the course of conducting the business operations of the Company, violated any provision of the applicable laws and/or regulations and thus caused damages to any other person, subject to Cayman Islands law, he/she shall be liable, jointly and severally, for the damages to such other person.

A managerial officer of the Company shall have the same liabilities as those of a Director in carrying out his/her duties.

105. The Directors may from time to time appoint any Person, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of the chief executive officer, president, one or more vice-presidents, chief financial officer or controller, treasurer, assistant treasurer, or manager, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any Person so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto determine if any managing director ceases from any cause to be a Director, or if the Company by Supermajority Resolution resolves that his tenure of office be terminated.

106. The Directors may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors.

107. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

108. Notwithstanding anything contained in these Articles and to the extent as required by the Applicable Listing Rules, the Company shall establish a Remuneration Committee to review the salary, stock options, and any other substantive incentive measures for Directors and managerial officers of the Company. The composition, power and relevant matters of the Remuneration Committee shall be subject to the Applicable Listing Rules.

109. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him. For so long as the Shares are registered in the Emerging Market or listed in the TPEx or TSE, the Company shall appoint in Taiwan a litigious and non-litigious agent who shall also be the responsible person under the Applicable Listing Rules in Taiwan. Such representative shall have a domicile or residence within the territory of Taiwan.

110. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in Articles 111, 112 and 113 shall not limit the general powers conferred by this Article.

111. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any Persons to be members of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such Persons.

112. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

113. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

114. The Company shall establish an Audit Committee pursuant to the Applicable Listing Rules. The composition and qualification of the members of the Audit Committee shall be subject to Applicable Listing Rules.

115. The power and authority of the Audit Committee shall be subject to the Applicable Listing Rules.

## BORROWING POWERS OF DIRECTORS

116. Subject to these Articles and the Applicable Listing Rules, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

## THE SEAL

117. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

118. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

## DISQUALIFICATION OF DIRECTORS

119. The office of Director shall be vacated, if the Director:

(a) committed a felony and has been adjudicated guilty by a final judgment, and the time elapsed after he has served the full term of the sentence is less than five years;

(b) has been sentenced to imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and the time elapsed after he has served the full term of such sentence is less than two years;

(c) has been adjudicated guilty by a final judgment for misappropriating company or public funds during the time of his public service, and the time elapsed after he has served the full term of such sentence is less than two years;

(d) becomes bankrupt or makes any arrangement or composition with his creditors;

(e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;

(f) losses all or part of legal capacity;

(g) dies or is found to be or becomes of unsound mind;

(h) resigns his office by notice in writing to the Company;

(i) for so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, has transferred more than one half of the Shares being held by him/it on the date of the general meeting at which his/its appointment was approved (the "**Approval Date**"); or

(j) is removed from office pursuant to these Articles.

For so long as the Shares are registered in the Emerging Market or listed on the TPEx or TSE, if the Director, after the Approval Date and before his/its commencement of the office of Director, has transferred more than one half of the Shares being held by him/it as at the Approval Date he/it was elected or had transferred more than one half of the Shares being held by him/it within relevant book close period prior to such general meeting, the election of his/its directorship shall be deemed invalid.

120. Subject to the Law and Cayman Islands law, any Shareholder(s) holding 3% or more of the total number of issued Shares for a period of one year or a longer time shall have the right to submit a petition for and on behalf of the Company against its director(s), and the Taipei District Court, ROC, may be court of the first instance for this matter. If a director has, in the course of performing his duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or these Articles, but has not been removed by the Company pursuant to a Supermajority Resolution vote, then, subject to the Law and Cayman Islands law, any Shareholder(s) holding 3% or more of the total number of issued Shares shall have the right, within 30 days after that general meeting, to petition any competent court for the removal of such Director, at the Company's expense. The Taipei District Court, ROC, may be court of the first instance for this matter.

## PROCEEDINGS OF DIRECTORS

121. The Directors may meet together (either within or outside the Cayman Islands) for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. The notice for a Board meeting may be given by means of electronic communication. Questions arising at any meeting shall be decided by a majority of votes present at such meeting. In case of an equality of votes the chairman shall not have a second or casting vote. A Director may, and on the requisition of a Director shall, at any time summon a meeting of the Directors.

122. A Director may participate in any meeting of the Board of Directors, or of any committee appointed by the Board of Directors of which such Director is a member, via video conference by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

123. Subject to these Articles, the quorum necessary for the transaction of the business of the Directors shall be more than one-half of the Directors. A Director represented by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present. When the number of vacancies in the Board of Directors of the Company equals to one third of the total number of Directors, the Board of Directors shall hold, within 60 days, a general meeting of Shareholders to elect succeeding Directors to fill the vacancies.

124. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company or in any other matters discussed at the meeting of the Directors shall declare the nature and relevant material contents of his interest at such meeting of the Directors. A Director cannot vote his own vote or on behalf of

another Director in respect of any contract or proposed contract or arrangement when he may be interested therein. The voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting (but shall still be counted in the quorum for such meeting).

125. A Director who does anything for himself or on behalf of another person that is within the scope of the Company's business shall declare the essential contents of such behaviour to the general meeting of the Shareholders and be approved by a Supermajority Resolution. Failure in obtaining such approval shall cause the Director being so interested be liable to account to the Company for any profit realised by any such behaviour if the general meeting so resolves by an Ordinary Resolution within one year from such behaviour.

126. Notwithstanding the preceding Articles, a Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

127. Subject to these Articles, any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

128. The Directors shall cause all minutes to be made in books or loose-leaf folders provided for the purpose of recording:

(a) all appointments of officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

129. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

130. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.

131. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.

132. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present.

133. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

134. The following actions require the approval of a majority of the votes of the Directors present at a Board meeting attended by at least two-thirds of all Directors:

(a) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusted business, or for regular joint operation with others;

(b) the sale or transfer of the whole or any material part of its business or assets;

(c) taking over the transfer of another's whole business or assets, which will have a material effect on the business operation of the Company;

(d) the election of Chairman of the Board pursuant to these Articles;

(e) issuance of corporate bonds;

(f) the allocation of Employees' Remunerations and Directors' Remunerations pursuant to Article 136.

## DIVIDENDS AND DISTRIBUTIONS

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

136. Subject to the Law, when allocating the earnings for each fiscal year, the Company shall, after paying all or reserving such amounts for applicable taxes and offsetting losses from previous years, set aside 10% of the balance as a reserve (the "**10% Reserve**") and other special reserve or reverse special reserve pursuant to the Applicable Listing Rules, the Board of Directors may distribute the remaining earnings together with any undistributed retained earnings accrued from prior years of the Company as cash dividends and/or stock dividends to the Shareholders; provided that the dividends distributed to the Shareholders pursuant to this Article 136 shall comprise no less than 1% of the net profit after tax of the relevant fiscal year. The cash dividends shall comprise no less than 50% of the total dividends declared in such year.

Subject to the Law, where the Company incurs no loss it may by a Supermajority Resolution declare dividends and/or bonuses to the Shareholders out of from the 10% Reserve, the premium paid on the issuance of any share and income from endowments received by the Company; provided that, where the cash dividends and/or stock dividends are out of from the 10% Reserve, only the portion of the 10% Reserve which exceeds 25 percent of the paid-in capital of the Company may be

distributed. Subject to Article 37, the Board of Directors shall prepare the plan of distributions and submit such plan for the approval of the Shareholders at the general meeting.

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

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

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

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

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

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

140. No dividend shall bear interest against the Company.

## ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

141. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.

142. The books of account shall be kept at the Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

143. The Board of Directors shall prepare and submit the business report, financial statements, and surplus earning distribution or loss off-setting proposals to the annual general meeting of Shareholders for its ratification and after the meeting shall distribute to each Shareholder the copies of ratified financial statements and the resolutions on the earning distribution and/or loss offsetting and/or make them public pursuant to the Applicable Listing Rules.

144. The Board shall keep copies of the yearly business report and financial statements at the office of its Shareholders' Service Agent before ten (10) days of the annual general meeting and any of its Shareholders is entitled to inspect such documents during normal business hours of such service agent.

145. Save for the Article 144 and Article 161, the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

146. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Directors, or required by the Applicable Listing Rules.

147. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

## AUDIT

148. The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his remuneration.

149. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

150. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

## CAPITALISATION OF RESERVES OR PROFITS

151. Subject to the Law, the Company may, with the authority of a Supermajority Resolution:

(a) resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve, special capital reserve and profit and loss account), whether or not available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the number of Shares held by them respectively for the purpose of the payment of bonuses in the form of Shares and apply that sum on their behalf in or towards paying up in full unissued Shares or debentures of a nominal amount equal to that sum, and allot the Shares or debentures, credited as fully paid, to the Shareholders, or partly in one way and partly in the other;

(c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve or other funds and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorise a Person to enter (on behalf of all the Shareholders or other persons concerned) into an agreement with the Company providing for the allotment to the Shareholders or other persons respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, and any such agreement made under this authority being effective and binding on all those Shareholders or other persons; and

(e) generally do all acts and things required to give effect to the resolution.

152. For the avoidance of doubts, the allotment of bonus shares in connection with the Employees' Remunerations and Directors' Remunerations pursuant to Article 136 shall not require the approval of a Supermajority Resolution.

## TENDER OFFER

153. Upon the receipt of the copy of a tender offer application form and relevant documents by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board of Directors shall, subject to the Applicable Listing Rules, proceed to, including but not limited to make resolution and public announcement.

## SHARE PREMIUM ACCOUNT

154. The Directors shall in accordance with the Law establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

155. There shall be debited to any share premium account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Law, out of capital.

## NOTICES

156. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Shareholder at his

address as appearing in the Register, or to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic mail number or address such Shareholder may have positively confirmed in writing for the purpose of such service of notices. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands as their representative in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

157. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

158. Any notice or other document, if served by:

(a) post or courier, shall be deemed to have been served five days after the time when the letter containing the same is posted or delivered to the courier;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

159. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

160. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

## INFORMATION

161. The Board of Directors shall keep at the office of its Shareholders' Service Agent in Taiwan copies of these Articles, the minutes of every meeting of the Shareholders and the financial statements, the Register of Members and the counterfoil of corporate bonds issued by the Company. Any Shareholder of the Company may request, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect and to make copies of the Memorandum and Articles and accounting books and records.

Without prejudice to the rights set forth in these Articles, no Shareholder shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the members of the Company to communicate to the public.

162. The Board shall be entitled to release or disclose to any regulatory or judicial authority any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder including, without limitation, information contained in the Register of Members and transfer books of the Company.

## INDEMNITY

163. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles)and other officer for the time being and from time to time of the Company (each an "**Indemnified Person**") shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

164. The Company may purchase and maintain insurance for the benefit of the Director or the officers of the Company against any liability incurred by him/her in his/her capacity as a Director or officer, as applicable, in order to minimize the relevant indemnity liabilities incurred or sustained by the Company and the Shareholders.

165. No Indemnified Person shall be liable to the Company unless such liability arises through such Indemnified Person's own dishonesty, wilful default or fraud.

## NON-RECOGNITION OF TRUSTS

166. Subject to the proviso hereto, no Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register, provided that, notwithstanding the foregoing, the Company shall be entitled to recognise any such interests as shall be determined by the Directors in their absolute discretion.

## FINANCIAL YEAR

167. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

## WINDING- UP

168. If the Company shall be wound up, and the assets available for distribution amongst the Shareholders shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Shareholders in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Shareholders in proportion to the number of the Shares held by them at the commencement of the winding up. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may, with the sanction of an Special Resolution and any other sanction required by the Law and in compliance with the Applicable Listing Rules, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator, with the like sanction shall think fit, but so that no Shareholder shall be compelled to accept any asset whereon there is any liability.

169. The Company shall keep all statements, records of account and documents for a period of ten years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator or the Company by Ordinary Resolution.

**ASLAN PHARMACEUTICALS LIMITED**

**2014 EMPLOYEE SHARE OPTION SCHEME PLAN**

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel and align their interests with that of the Company, to provide additional incentives to Employees, Directors, and Consultants as well as those who have, in the opinion of the Board, contributed to the success of the Company and to promote the success of the Company's business.

2. Definitions. The following definitions shall apply as used herein and in the individual Award Agreements except as defined otherwise in an individual Award Agreement. In the event a term is separately defined in an individual Award Agreement, such definition shall supersede the definition contained in this Section 2.

(a) "Administrator" means the Board or a Committee appointed to administer the Plan.

(b) "Affiliate" means in relation to a person: (i) any person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such person; or (ii) any person who is a director or officer of that person, or a director or officer of a person described within the aforesaid (i).

(c) "Associate" means in relation to a person, a Related Entity or an Associated Company of such person.

(d) "Associated Company" means in relation to a person, an entity in which such person has not less than 20% and not more than 50% shareholding or equity interest.

(e) "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of national, provincial and local securities and corporate laws (including the Companies Law), rules and regulations, the Code, the rules of any applicable stock exchange or national market system, and any other rules of any jurisdiction applicable to Awards granted to residents therein. Unless otherwise specifically provided in the Award Agreement, the laws of Singapore shall be the Applicable Laws.

(f) "Assumed" means that pursuant to a Corporate Transaction either (i) the Award is expressly affirmed by the Company or (ii) the contractual obligations represented by the Award are expressly assumed (and not simply by operation of law) by the successor entity or its Parent in connection with the Corporate Transaction with appropriate adjustments to the number and type of securities of the successor entity or its Parent subject to the Award and the exercise or purchase price thereof which at least preserves the compensation element of the Award existing at the time of the Corporate Transaction as determined in accordance with the instruments evidencing the agreement to assume the Award.

(g) "Award" means the grant of an Option or other right or benefit under the Plan.

(h) "Award Agreement" means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto.

(i) "Board" means the Board of Directors of the Company.

(j) "Cause" means, with respect to the termination by the Company or a Related Entity of the Grantee's Continuous Service, that such termination is for "Cause" as such term (or word of like import) is expressly defined in a then-effective written agreement between the Grantee and the Company or such Related Entity, or in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator, the Grantee's: (i) performance of any act or failure to perform any act in bad faith and to the detriment of the Company or a Related Entity; (ii) dishonesty, intentional misconduct or material breach of any agreement with the Company or a Related Entity; or (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; provided, however, that with regard to any agreement that defines "Cause" on the occurrence of or in connection with a Corporate Transaction or a Change in Control, such definition of "Cause" shall not apply until a Corporate Transaction or a Change in Control actually occurs.

(k) "Change in Control" means a change in ownership or control of the Company after the Registration Date effected through either of the following transactions:

(i) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities pursuant to a tender or exchange offer made directly to the Company's shareholders which a majority of the Continuing Directors who are not Affiliates or Associates of the offeror do not recommend such shareholders accept, or

(ii) a change in the composition of the Board over a period of twelve (12) months or less such that a majority of the Board members (rounded up to the next whole number) ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who are Continuing Directors.

(l) "Code" means the Income Tax Act (Chapter 134) of the Republic of Singapore, as amended.

(m) "Committee" means any committee composed of members of the Board appointed by the Board to administer the Plan.

(n) "Companies Law" means the Companies Law (as amended) of the Cayman Islands.

(o) "Company" means ASLAN Pharmaceuticals Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands, or any successor entity that adopts the Plan in connection with a Corporate Transaction.

(p) "Consultant" means any person (other than an Employee or a Director, solely with respect to rendering services in such person's capacity as a Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity.

(q) "Continuing Directors" means members of the Board who either (i) have been Board members continuously for a period of at least twelve (12) months or (ii) have been Board members for less than twelve (12) months and were elected or nominated for election as Board members by at least a majority of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board.

(r) "Continuous Service" means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under Applicable Laws. A Grantee's Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity for which the Grantee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in the Award Agreement).

(s) "Corporate Transaction" means any of the following transactions, provided, however, that the Administrator shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(i) A merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

(ii) The sale, transfer or other disposition of all or substantially all of the assets of the Company;

(iii) The complete liquidation or dissolution of the Company;

(iv) any reverse merger or series of related transactions culminating in a reverse merger in which the Company is the surviving entity but (A) the Ordinary Shares outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than forty percent (40%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger, but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction; or

(v) acquisition in a single or series of related transactions by any person or related group of persons of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction.

(t) "Director" means a member of the Board or the board of directors of any Related Entity.

(u) "Disability" means as defined under the long-term disability policy of the Company or the Related Entity to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Related Entity to which the Grantee provides service does not have a long-term disability plan in place, "Disability" means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(v) "Dividend Equivalent Right" means a right entitling the Grantee to compensation measured by dividends paid with respect to Ordinary Shares.

(w) "Employee" means any person, including an Officer or Director, who is in the employ of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a director's fee by the Company or a Related Entity shall not be sufficient to constitute "employment" by the Company.

(x) "Fair Market Value" means, as of any date, the value of Shares determined as follows:

(i) If the Shares are listed on one or more established stock exchanges or national market systems, its Fair Market Value shall be the closing price for such Shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed. If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing price for such Shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in any marketplace accepted source as the Administrator deems reliable; or

(ii) In the absence of an established market for the Shares of the type described in (i) above, the Fair Market Value thereof shall be determined by the Administrator in good faith.

(y) "Good Reason" means the occurrence after a Corporate Transaction or Change in Control of any of the following events or conditions unless consented to by the Grantee (and the Grantee shall be deemed to have consented to any such event or condition unless the Grantee provides written notice of the Grantee's non-acquiescence within 30 days of the effective time of such event or condition:

(i) a change in the Grantee's responsibilities or duties which represents a material and substantial diminution in the Grantee's responsibilities or duties as in effect immediately preceding the consummation of a Corporate Transaction or Change in Control;

(ii) a reduction in the Grantee's base salary to a level below that in effect at any time within six (6) months preceding the consummation of a Corporate Transaction or Change in Control or at any time thereafter; provided that an across-the-board reduction in the salary level of substantially all other individuals in positions similar to the Grantee's by the same percentage amount shall not constitute such a salary reduction; or

(iii) requiring the Grantee to be based at any place outside a 50-kilometer radius from the Grantee's job location or residence prior to the Corporate Transaction or Change in Control except for reasonably required travel on business which is not materially greater than such travel requirements prior to the Corporate Transaction or Change in Control.

(z) "Grantee" means an Employee, Director or Consultant who receives an Award under the Plan.

(aa) "Incentive Stock Option" means an Option intended to qualify as an Employee Share Option whereby the governing tax code of the issuing entity has relevant provisions governing valuation elections of such Option grants, in-which case such qualification is assumed for the purpose of optimizing any valuation election that may be available.

(bb) "Officer" means a person who is an officer of the Company or a Related

(cc) "Option" means an option to purchase Shares pursuant to an Award Agreement granted under the Plan.

(dd) "Ordinary Share" means an ordinary share of the Company having the rights and restriction as set out in the Memorandum and Articles of Association of the Company.

(ee) "Parent" means a holding company (as defined in the Companies Act of Singapore, Cap. 50, whether now or hereafter existing.

(ff) "Plan" means this 2010 Employee Option Scheme.

(gg) "Registration Date" means the first to occur of (i) the closing of the first sale to the general public pursuant to a registered underwritten offering and listing on an internationally recognized stock exchange, of (A) the Ordinary Shares or (B) the same class of securities of a successor corporation (or its Parent) issued pursuant to a Corporate Transaction in exchange for or in substitution of the Ordinary Shares; and (ii) in the event of a Corporate

Transaction, the date of the consummation of the Corporate Transaction if the same class of securities of the successor corporation (or its Parent) issuable in such Corporate Transaction shall have been sold to the general public pursuant to a registered underwritten offering and listing on an internationally recognized stock exchange, on or prior to the date of consummation of such Corporate Transaction.

(hh) "Related Entity" means any Parent or Subsidiary of the Company, as well as any entity which is deemed as an associated entity of the Company or any Parent or Subsidiary under applicable accounting principles.

(ii) "Replaced" means that pursuant to a Corporate Transaction the Award is replaced with a comparable share award or a cash incentive program of the Company, the successor entity (if applicable) or Parent of either of them which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same (or a more favorable) vesting schedule applicable to such Award. The determination of Award comparability shall be made by the Administrator and its determination shall be final, binding and conclusive.

(jj) "Restricted Share" means Shares issued under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions as established by the Administrator.

(kk) "Restricted Share Units" means an Award which may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator and which may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator.

(ll) "SAR" means a share appreciation right entitling the Grantee to Shares or cash compensation, as established by the Administrator, measured by appreciation in the value of Shares.

(mm) "Share" means an Ordinary Share.

(nn) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in the Companies Act of Singapore, Cap. 50.

3. Shares Subject to the Plan.

(a) Subject to the provisions of Section 10 below, the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Stock Options) is 1,365,625, Shares constituting not more than 20 % of the enlarged issued share capital of the Company or such number of Shares adjusted in the event of an occurrence under Section 10 below. Any award (as per clause 6a) whose value is linked to the value or benefit of a share shall be considered as a share for the purposes of this section.

(b) Any Shares covered by an Award (or portion of an Award) which is forfeited, canceled or expires (whether voluntarily or involuntarily) shall be deemed not to have

been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the Plan. Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan, except that if unvested Shares are forfeited, or repurchased by the Company at the lower of their original purchase price or their Fair Market Value at the time of repurchase, such Shares shall become available for future grant under the Plan.

4. Administration of the Plan.

(a) Plan Administrator.

(i) Administration with Respect to Directors and Officers. With respect to grants of Awards to Directors or Employees who are also Officers or Directors of the Company, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in such a manner as to satisfy the Applicable Laws Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board.

(ii) Administration With Respect to Consultants and Other Employees. With respect to grants of Awards to Employees or Consultants who are neither Directors nor Officers of the Company, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in such a manner as to satisfy the Applicable Laws. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. The Board may authorize one or more Officers to grant such Awards and may limit such authority as the Board determines from time to time.

(iii) Administration Errors. In the event an Award is granted in a manner inconsistent with the provisions of this subsection (a), such Award shall be presumptively invalid as of its grant date to the extent permitted by the Applicable Laws.

(b) Powers of the Administrator. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

(i) to select the Employees, Directors and Consultants to whom Awards may be granted from time to time hereunder;

(ii) to determine whether and to what extent Awards are granted hereunder;

(iii) to determine the number of Shares or the amount of other consideration to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions of any Award granted hereunder;

(vi) to amend the terms of any outstanding Award granted under the Plan, provided that any amendment that would adversely affect the Grantee's rights under an outstanding Award shall not be made without the Grantee's written consent;

(vii) to construe and interpret the terms of the Plan and Awards, including without limitation, any notice of award or Award Agreement, granted pursuant to the Plan;

(viii) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator; provided that the Administrator may not exercise any right or power reserved to the Board. Any decision made, or action taken, by the Administrator or in connection with the administration of this Plan shall be final, conclusive and binding on all persons having an interest in the Plan.

(c) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or as Officers or Employees of the Company or a Related Entity, members of the Board and any Officers or Employees of the Company or a Related Entity to whom authority to act for the Board, the Administrator or the Company is delegated shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

5. Eligibility. Incentive Stock Options or other additional Awards may be granted to Employees, Directors or Consultants as the Administrator may determine from time to time.

6. Terms and Conditions of Awards.

(a) Types of Awards. The Administrator is authorized under the Plan to award any type of arrangement to an Employee, Director or Consultant that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) cash or (iii) an Option, a SAR, or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions. Such Awards include, without limitation, Options, SARs, sales or bonuses of

Restricted Shares, Restricted Share Units or Dividend Equivalent Rights, and an Award may consist of one such security or benefit, or two (2) or more of them in any combination or alternative.

(b) Conditions of Award. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria, if any as determined by the Administrator.

(c) Acquisitions and Other Transactions. The Administrator may issue Awards under the Plan in settlement, assumption or substitution for, outstanding awards or obligations to grant future awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger, stock purchase, asset purchase or other form of transaction.

(d) Deferral of Award Payment. The Administrator may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

(e) Separate Programs. The Administrator may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Administrator from time to time.

(f) Deferral. If the vesting or receipt of Shares under an Award is deferred to a later date, any amount (whether denominated in Shares or cash) paid in addition to the original number of Shares subject to such Award will not be treated as an increase in the number of Shares subject to the Award if the additional amount is based either on a reasonable rate of interest or on one or more predetermined actual investments such that the amount payable by the Company at the later date will be based on the actual rate of return of a specific investment (including any decrease as well as any increase in the value of an investment).

(g) Early Exercise. The Award Agreement may, but need not, include a provision whereby the Grantee may elect at any time while an Employee, Director or Consultant to exercise any part or all of the Award prior to full vesting of the Award. Any unvested Shares received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

(h) Term of Award. The term of each Award shall be the term stated in the Award Agreement, provided, however, that the term of an Incentive Stock Option shall be no more than ten (10) years from the date of grant thereof. However, in the case of an Incentive Stock Option granted to a Grantee who, at the time the Option is granted, owns Shares representing more than ten percent (10%) of the voting power of all classes of shares of the Company or any Parent or Subsidiary of the Company, the term of the Incentive Stock Option shall be ten (10) years from the date of grant thereof or such shorter term as may be provided in the Award Agreement. Notwithstanding the foregoing, the specified term of any Award shall not include any period for which the Grantee has elected to defer the receipt of the Shares or cash issuable pursuant to the Award.

(i) Transferability of Awards. Incentive Stock Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Grantee, only by the Grantee and in the event of the Grantee's death by the legal beneficiary. Other Awards shall be transferable (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the Grantee, to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Administrator.

(j) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other later date as is determined by the Administrator.

7. Award Exercise or Purchase Price, Consideration and Taxes.

(a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be as follows:

(i) In the case of an Incentive Stock Option:

granted to any Employee, Consultant or Director the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant, as reflected in the stated strike price.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment shall be determined by the Administrator. In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following:

(i) Cash;

(ii) Check;

(iii) surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;

(iv) with respect to Options, if the exercise occurs on or after the Registration Date, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (A) shall provide written instructions to a Company designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (B) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction;

(v) with respect to Options, payment through a "net exercise" such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares equal to (i) the number of Shares as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per Share (on such date as is determined by the Administrator) less the Exercise Price per Share, and the denominator of which is such Fair Market Value per Share (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares); or

(vi) any combination of the foregoing methods of payment.

(c) Taxes. No Shares shall be delivered under the Plan to any Grantee or other person until such Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of any federal, state, provincial, or local income and employment tax withholding obligations, including, without limitation, obligations incident to the receipt of Shares. Upon exercise or vesting of an Award the Company shall withhold or collect from the Grantee an amount sufficient to satisfy such tax obligations, including, but not limited to, by surrender of the whole number of Shares covered by the Award sufficient to satisfy the minimum applicable tax withholding obligations incident to the exercise or vesting of an Award (reduced to the lowest whole number of Shares if such number of Shares withheld would result in withholding a fractional Share with any remaining tax withholding settled in cash). All taxes (including personal income tax) arising from the exercise of any Award granted to any participant under the scheme shall be borne by that participant.

8. Exercise of Award.

(a) Procedure for Exercise; Rights as a Shareholder.

(i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement.

(ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised has been made, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(iv).

(b) Exercise of Award Following Termination of Continuous Service.

(i) An Award may not be exercised after the termination date of such Award set forth in the Award Agreement and may be exercised following the termination of a Grantee's Continuous Service only to the extent provided in the Award Agreement.

(ii) Where the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee's Continuous Service for a specified period, the Award shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first.

9. Conditions Upon Issuance of Shares.

(a) If at any time the Administrator determines that the delivery of Shares pursuant to the exercise, vesting or any other provision of an Award is or may be unlawful under Applicable Laws, the vesting or right to exercise an Award or to otherwise receive Shares pursuant to the terms of an Award shall be suspended until the Administrator determines that such delivery is lawful and shall be further subject to the approval of counsel for the Company with respect to such compliance. The Company shall have no obligation to effect any registration or qualification of the Shares under federal or state laws.

(b) As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws.

10. Adjustments Upon Changes in Capitalization.

Subject to any required action by the shareholders of the Company and Section 11 hereof, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the scheme, the exercise or purchase price of each such outstanding Award, the maximum number of Shares with respect to which Awards may be granted to any Grantee in any calendar year, as well as any other terms that the Administrator determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of issued Shares resulting from a subdivision, consolidation, share dividend, combination or redesignation of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, or (iii) any other transaction with respect to Shares including a corporate merger, consolidation, acquisition of property or shares, separation (including a spin-off or other distribution of shares or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." In the event of any distribution of cash or other assets to shareholders other than

a normal cash dividend, the Administrator shall also make such adjustments as provided in this Section 10 or substitute, exchange or grant Awards to effect such adjustments (collectively "adjustments"). Any such adjustments to outstanding Awards will be effected in a manner that precludes the enlargement of rights and benefits under such Awards. In connection with the foregoing adjustments, the Administrator may, in its discretion, prohibit the exercise of Awards or other issuance of Shares, cash or other consideration pursuant to Awards during certain periods of time. Except as the Administrator determines, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award.

11. Corporate Transactions and Changes in Control.

Conditions regarding an acceleration of vesting:

(a) Termination of Award to Extent Not Assumed in Corporate Transaction. Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan shall terminate. However, all such Awards shall not terminate to the extent they are assumed in connection with the Corporate Transaction.

(b) Acceleration of Award Upon Corporate Transaction or Change in Control.

(i) Corporate Transaction. Except as provided otherwise in an individual Award Agreement, in the event of a Corporate Transaction and:

(A) for the portion of each Award that is Assumed or Replaced, then such Award (if Assumed), the replacement Award (if Replaced), or the cash incentive program (if Replaced) automatically shall become fully vested, exercisable and payable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares (or other consideration) at the time represented by such Assumed or Replaced portion of the Award, immediately upon termination of the Grantee's Continuous Service if such Continuous Service is terminated by the successor company or the Company without Cause or voluntarily by the Grantee with Good Reason within twelve (12) months1 after the Corporate Transaction; and

(B) for the portion of each Award that is neither Assumed nor Replaced, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares (or other consideration) at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, provided that the Grantee's Continuous Service has not terminated prior to such date. For Awards that have an exercise feature, the portion of the Award that is not Assumed shall terminate under subsection (a) of this Section 11 to the extent not exercised prior to the consummation of such Corporate Transaction.

(ii) Change in Control. Except as provided otherwise in an individual Award Agreement, following a Change in Control (other than a Change in Control which also is a Corporate Transaction) and upon the termination of the Continuous Service of a Grantee if such

Continuous Service is terminated by the Company or Related Entity without Cause or voluntarily by the Grantee with Good Reason within twelve (12) months after a Change in Control, each Award of such Grantee which is at the time outstanding under the Plan automatically shall become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value), immediately upon the termination of such Continuous Service.

12. Effective Date and Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the shareholders of the Company. It shall continue in effect for a term of ten (10) years unless sooner terminated. Subject to Section 17, below, and Applicable Laws, Awards may be granted under the Plan upon its becoming effective.

13. Amendment, Suspension or Termination of the Plan.

(a) The Board may at any time amend, suspend or terminate the Plan; provided, however, that no such amendment shall be made without the approval of the Company's shareholders to the extent such approval is required by Applicable Laws. In addition, in order to assure the viability of Awards granted to participants employed in various jurisdictions, the Administrator may, in its sole discretion, provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy or custom applicable in the jurisdiction in which the participant resides or is employed. Moreover, the Administrator may approve such supplements to, amendments, restatements, or alternative versions of the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; provided, however, that no such supplements, restatements or alternative versions shall increase the Share limitation contained in Section 3 hereof. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted that would violate any Applicable Laws.

(b) No Award may be granted during any suspension of the Plan or after termination of the Plan.

(c) No suspension or termination of the Plan (including termination of the Plan under Section 11 above) shall adversely affect any rights under Awards already granted to a Grantee.

14. Reservation of Shares.

(a) The Company, during the term of the Plan, will at all times reserve and keep available such number of Shares in its authorised but unissued share capital as shall be sufficient to satisfy the requirements of the Plan.

(b) The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

15. No Effect on Terms of Employment/Consulting Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or any Related Entity to terminate the Grantee's Continuous Service at any time, [with or without cause], and with or without notice.

16. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation.

17. Shareholder Approval. The grant of Incentive Stock Options under the Plan shall be subject to approval by the shareholders of the Company within twelve (12) months before or after the date the Plan is adopted. Such shareholder approval shall be obtained in the degree and manner required under Applicable Laws. The Administrator may grant Incentive Stock Options under the Plan prior to approval by the shareholders, but until such approval is obtained, no such Incentive Stock Option shall be exercisable.

18. Unfunded Obligation. Grantees shall have the status of general unsecured creditors of the Company. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee's creditors in any assets of the Company or a Related Entity. The Grantees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

19. Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

20. No exclusivity of the Plan. Neither the adoption of the Plan by the Board, the submission of the Plan to the shareholders of the Company for approval, nor any provision of the Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

21. Disputes

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

22. Condition of Option

Every Option shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereunder.

23. Governing Law

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

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**ASLAN PHARMACEUTICALS LIMITED**
**2017 Employee Share Option Plan 1**

## ARTICLE 1 Purpose of the Plan

To attract and retain the professional talent needed by the Company and to motivate employees, improve employee retention and enhance employees' productivity and sense of belonging toward the Company so as to jointly enhance the Company's and shareholders' interests, the Company has established this Plan pursuant to Article 28-3 of the Securities and Exchange Act, the Regulations Governing the Offering and Issuance of Securities by Securities Issuers promulgated by the ROC Financial Supervisory Commissions, Executive Yuan (the "**FSC**"), and other applicable rules and regulations.

## ARTICLE 2 Definitions

The following words and expressions shall have the meanings assigned to them below:

- "**Assumed**" shall mean, pursuant to a Corporate Transaction, either (a) the Award is expressly affirmed by the Company or (b) the contractual obligations represented by the Award are expressly assumed by the successor entity or its parent or holding company in connection with the Corporate Transaction with appropriate adjustments to the number and type of securities of the successor entity or its parent or holding company subject to the Award and the exercise or purchase price thereof which at least preserves the compensation element of the Award existing at the time of the Corporate Transaction as determined in accordance with the instruments evidencing the agreement to assume the Award.
- "**Award**" shall mean the grant of an Option or other right or benefit under the Plan; and "**Awarded**" or similar derivatives shall be construed accordingly.
- "**Award Date**" shall have the meaning set forth in Article 3.
- "**Award Letter**" shall mean the written document evidencing the grant of an Award under the Plan by the Company to an Optionee, which may set out a schedule of staggered vesting times.

- "**Board**" shall mean the board of directors of the Company.
- "**Cause**" shall mean with respect to the termination of an Optionee's employment with the Company or the Subsidiary, shall mean (a) as such term (or word of like import) is expressly defined in a then-effective written agreement between the Optionee and the Company or the Subsidiary; or (b) in the absence of such agreement and definition, shall mean, in the determination of the Board, the Optionee's: (i) performance of any act or failure to perform any act in bad faith and to the detriment of the Company or the Subsidiary; (ii) dishonesty, intentional misconduct or material breach of any agreement with the Company or the Subsidiary; or (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person.
- "**Change in Control**" shall mean a change in ownership or control of the Company effected through the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities pursuant to a tender or exchange offer made directly to the Company's shareholders which a majority of the Directors do not recommend such shareholders accept, or
- "**Company**" shall mean ASLAN Pharmaceuticals Limited.
- "**Competent Authority**" shall mean the FSC, being the competent authority for the purposes of approvals for the Plan.
- "**Corporate Transaction**" shall mean any of the following transactions, provided, however, that the Board shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

  (i) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(iii) the complete liquidation or dissolution of the Company;

(iv) any reverse merger or series of related transactions culminating in a reverse merger in which the Company is the surviving entity but (a) the Shares outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (b) in which securities possessing more than forty percent (40%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger, but excluding any such transaction or series of related transactions that the Board determines shall not be a Corporate Transaction; or

(v) acquisition in a single or series of related transactions by any person or related group of persons of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Board determines shall not be a Corporate Transaction.

- "**Exercise Price**" shall mean the price at which Shares may be purchased in exercise of Options, as specified in the Award Letter not being lower than the closing price of the Company's Shares listed on the Taiwan Stock Exchange or Taipei Exchange as of the Award Date unless otherwise approved by the shareholders at a shareholders meeting in accordance with Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, or as adjusted in accordance with Article 8.
- "**FSC**" shall have the meaning defined in Article 1.
- "**NT$**" mean the lawful currency for the time being of the ROC.
- "**Optionees**" shall have the meaning defined in Article 4.1.

- "**Options**" shall mean options, designated as Series A Share options of the Company, to purchase Shares pursuant to an Award Letter.
- "**Plan**" shall mean this 2017 Employee Share Option Plan.
- "**Replaced**" shall mean, pursuant to a Corporate Transaction, the Award is replaced with a comparable share award or a cash incentive program of the Company, the successor entity (if applicable) or parent or holding company of either of them which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same (or a more favorable) vesting schedule applicable to such Award. The determination of Award comparability shall be made by the Board and its determination shall be final, binding and conclusive.
- "**ROC**" shall mean the Republic of China.
- "**Share**" shall mean an ordinary share of the Company with par value at NT$10 each having the rights and restrictions as set out in the Memorandum and Articles of Association of the Company.
- "**Subsidiaries**" shall have the meaning set forth in Article 4.1.
- "**Term**" shall mean the tenth anniversary of the Aware Date.
- "**VP of Finance**" shall have the meaning set forth in Article 4.1.

## ARTICLE 3 Grant Period

Options shall be Awarded in one lot or in multiple instalments within one year of the receipt of the notice from the Competent Authority confirming that the application made by the Company for approval for the issuance of Shares in accordance with the Plan has taken effect. The Chairman will be authorized to determine actual date of the Awards within that year (the "**Award Date**").

## ARTICLE 4 Eligible Employees and Limit on Number of Shares Held by Single Employee

4.1 Optionees

Those persons eligible to receive Awards under the Plan ("**Optionees**") shall be limited to regular full-time employees of the Company and subsidiaries in which the Company directly or indirectly holds more than 50% of the voting shares (the "**Subsidiaries**"), as recorded on the subscription qualification record date. The subscription qualification record date is determined by the Chairman. For Optionees who are senior managers of the Company, approval from the remuneration committee of the Company shall also be obtained prior to the Award of Options under the Plan to them.

The vice president of finance of the Company (the "**VP of Finance**") shall prepare the list of qualified Optionees and of the number of Options which each such Optionee may be entitled to, by reference to the following factors, including, without limitation, his or her seniority, position, performance, past and estimated overall contributions, special achievements, or potential. Such list shall be proposed by the VP of Finance to the Board for its approval.

4.2 Limit on Number of Shares Held by Single Employee

The accumulated sum of the Shares purchasable through exercise of Options and the number of restricted Shares held by one single employee shall not be in excess of 1% of the total issued Shares of the Company, unless prior approval of the ROC Industrial Bureau, Ministry of Economic Affairs has been obtained.

## ARTICLE 5 Type and Total Number of Shares Subject to the Plan

Options shall be over Shares of the Company. The aggregate maximum number of Options to be issued under the Plan is 1,000,000 units which represent 1,000,000 Shares. The Shares to satisfy performance of the Company's option obligations will be newly issued Shares.

## ARTICLE 6 Terms and Conditions

6.1 Period of Right

6.1.1 The Options will expire at the end of the Term and may not be exercised thereafter.

6.1.2 The Options and the rights and interests thereon shall not be sold, transferred, pledged, gifted to others, or disposed of in any other manner, except in the case of inheritance.

6.1.3 On the day following the second anniversary of the Award Date, all Options shall be fully vested and Optionees may exercise any or all of the Options at any time thereafter until the expiration of the Term:

6.2 Who May Exercise Options

The Options, whilst still valid during the Term, may only be exercised (a) during the lifetime of the Optionee, by the Optionee, or (b) in the event of the Optionee's death, by the Optionee's legal beneficiaries.

6.3 Termination of Optionee's Employment

Optionees shall be allowed to retain vested Options until the end of the Term even after termination of their employment, unless such termination of employment is for Cause. Any unvested Options will be voided upon termination of employment unless the Board approves otherwise; provided that, in respect of any Optionee whose employment with the Company terminates:

(a) during the period between the first anniversary of the Award Date and prior to the second anniversary of the Award Date; and

(b) such termination is not for Cause,

Options equal to the sum of one half of the total Options Awarded to such Optionee in the Award Letter, shall be vested upon such termination of employment but such vested Options may only be exercised after the second anniversary of the Award Date.

6.4 Procedures to Handle Voided Options:

The Company shall cancel and shall not re-issue Options which have become void.

**ARTICLE 7 Corporate Transactions and Changes in Control.**

7.1 Termination of Award to Extent Not Assumed in Corporate Transaction.

Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan which have not been Assumed, shall terminate.

7.2 Acceleration of Award Upon Corporate Transaction

Except as provided otherwise in an individual Award Letter, in the event of a Corporate Transaction if permitted by the applicable laws:

(a) for the portion of each Award that is Assumed or Replaced, then such Award (if Assumed), the replacement Award (if Replaced), or the cash incentive program (if Replaced), shall automatically become fully vested, exercisable and payable for all of the Shares (or other consideration) at the time represented by such Assumed or Replaced portion of the Award, immediately upon termination of the Optionee's employment if such employment is terminated by the successor company or the Company without Cause, or voluntarily by the Optionee, within twelve (12) months of the Corporate Transaction; and

(b) for the portion of each Award that is neither Assumed nor Replaced, such portion of the Award shall automatically become fully vested and exercisable for all of the Shares (or other consideration) at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction. To the extent that Awards neither Assumed nor Replaced are not exercised prior to the consummation of such Corporate Transaction, they shall lapse after such consummation.

7.3 Change in Control.

Except as provided otherwise in an individual Award Letter, if within twelve (12) months following a Change in Control (other than a Change in Control which also is a Corporate Transaction), the Optionee's employment is terminated by the Company without Cause, or is terminated voluntarily by the Optionee, each Award of such Optionee which is at the time outstanding under the Plan shall automatically become fully vested and exercisable, immediately upon the termination of such employment.

**ARTICLE 8 Adjustment of the Exercise Price**

8.1 After the Options have been Awarded, except as otherwise provided in this Plan, in the event of any change in the number of the Shares pursuant to a capital increase by cash, recapitalization from retained earnings, recapitalization from capital reserve, combination of shares, share split, participation in the offering of overseas depositary receipts through capital increase by cash, share issuance due to merger or acquisition as consideration of receipt of other companies' shares, or other circumstances under which the Company issues new shares without receiving any consideration (however, not including the following circumstances: (a) new share issuance pursuant to the exercise of rights in bonds or shares with an attached warrant or convertible rights; or (b) issuance of new employee's restricted Shares pursuant to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers and other applicable laws), the Exercise Price shall be adjusted based on the following formula (to be rounded up to the nearest NT$0.1):

Adjusted Exercise Price =

Exercise Price before adjustment × { [number of issued Shares + (subscription price per new Share × number of new Shares) / Exercise Price before adjustment] / (number of issued Shares + number of new Shares issued) }

8.1.1 "**Issued Shares**" refers to the total number of issued Shares of the Company. Shares represented by the certificates of bond-to-Share conversion and certificates of payment of warrant shares shall not be included.

8.1.2 In the event of share dividends or share splits, the subscription price per new Share shall be zero.

8.1.3 In the event of a merger with another company, the Exercise Price may be adjusted pursuant to applicable laws and regulations.

8.1.4 In the event that the adjusted Exercise Price is higher than the original Exercise Price, the original Exercise Price shall prevail.

8.2 After the Options have been Awarded, for any decrease in the number of Shares of the Company due to a capital reduction from the cancellation of Shares (other than a capital reduction resulting from the cancellation of treasury shares), the Exercise Price shall be adjusted based on the following formula (to be rounded up to the nearest NT$0.1):

Adjusted Exercise Price =

(Exercise Price before adjustment × number of issued Shares of the Company before capital reduction) / number of issued Shares after capital reduction.

8.3 After the issuance of Options, in the event of adjustment of the Exercise Price pursuant to Article 8.1 or 8.2 herein, the Board shall adjust the number of Shares conversely that each unit of Option may be entitled to accordingly, to reflect the adjusted Exercise Price, subject to the maximum authorized Shares set forth in the then-current Memorandum and Articles of Association of the Company.

**ARTICLE 9 Procedures for Exercising Options**

9.1 Except during book closure periods in accordance with applicable laws and regulations, the Optionee may exercise the Option to purchase and subscribe for Shares in accordance with the vesting schedule stipulated in Article 6.1.3. The Optionee shall fill out an "*Exercise Notice*" and submit it to the shareholder services agent of the Company. After verifying the completeness of the documents, the shareholder services agent of the Company shall request that the Optionee make payment for the Shares to a designated bank.

9.2 After the Company confirming that full payment for the Shares has been collected, the shareholder services agent of the Company shall enter the number of Shares so subscribed into the register of members of the Company and deliver to such Optionee the newly issued shares within five (5) business days by means of book-entry system.

9.3 If the Shares of the Company, subject to applicable laws and regulations, are traded on the Taiwan Stock Exchange or Taipei Exchange on the date of delivery, such Shares may be traded on the Taiwan Stock Exchange or Taipei Exchange from the date of delivery to such Optionee.

9.4 Within 15 days after the end of each quarter, the Company shall report how many Shares have been issued pursuant to exercise of the Options under the Plan, and the balance of Shares remaining to be so issued.

9.5 The Shares issued by the Company for subscriptions to be made pursuant to exercise of the Options shall bear the same rights and obligations as other Shares of the Company.

**ARTICLE 10 Award Letters and Confidentiality**

10.1 After the Company has completed the issuance procedures as required by applicable laws and regulations, the Chairman shall issue "Award Letters" to those to whom the Board has decided it will Award Options.

10.2 The Optionees shall keep confidential the relevant content and the number of the Options Awarded. In the event of violation of such confidentiality liability, the Company may recall and cancel Options in possession of such Optionee that have not yet been vested.

**ARTICLE 11 Implementation Guidelines**

Each Optionee shall be notified by the Company separately with regard to the operational matters and period relating to Options Awarded, exercise procedures and payment procedures.

**ARTICLE 12 Other Important Conditions**

12.1 This Plan shall be approved by a majority vote at a meeting of the Board attended by two-thirds or more of the Directors and shall become effective after being approved by the Competent Authority. Amendments shall be made following the same procedures. If, during the reviewing process, the Competent Authority requests that amendments be made, the Chairman is authorized to amend the Plan and submit it to the Board for ratification afterwards.

12.2 Any disputes or differences of any nature arising hereunder shall be referred to the Board and its decision shall be final and binding in all respects.

12.3 Any other matters not set forth herein shall be dealt with in accordance with the applicable laws and regulations.

**ASLAN PHARMACEUTICALS PTE. LTD.**
**2017 SMT LONG TERM INCENTIVE PLAN**

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel and align their interests with that of the Company, to provide additional incentives to Employees as well as those who have, in the opinion of the Board, contributed to the success of the Company and to promote the success of the Company's business.

2. Definitions. The following definitions shall apply as used herein and in the individual Award Agreements except as defined otherwise in an individual Award Agreement. In the event a term is separately defined in an individual Award Agreement, such definition shall supersede the definition contained in this Section 2.

(a) "Administrator" means the Committee constituted pursuant to the Plan to administer the Plan.

(b) "Affiliate" means in relation to a person: (i) any person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such person; or (ii) any person who is a director or officer of that person, or a director or officer of a person described within the aforesaid (i).

(c) "Associate" means in relation to a person, a Related Entity or an Associated Company of such person.

(d) "Associated Company" means in relation to a person, an entity in which such person has not less than 20% and not more than 50% shareholding or equity interest.

(e) "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of national, provincial and local securities and corporate laws (including the Companies Act of Singapore), rules and regulations, the Code, the rules of any applicable stock exchange or national market system, and any other rules of any jurisdiction applicable to Awards granted to residents therein. Unless otherwise specifically provided in the Award Agreement, the laws of Singapore shall be the Applicable Laws.

(f) "Assumed" means that pursuant to a Corporate Transaction either (i) the Award is expressly affirmed by the Company or (ii) the contractual obligations represented by the Award are expressly assumed (and not simply by operation of law) by the successor entity or its Parent in connection with the Corporate Transaction with appropriate adjustments to the amount and type of securities of the successor entity or its Parent under the Award and the redemption value thereof which at least preserves the compensation element of the Award existing at the time of the Corporate Transaction as determined in accordance with the instruments evidencing the agreement to assume the Award.

(g) "Award" means the grant of the right to receive cash incentive bonuses under the Plan.

(h) "Award Agreement" means the written letter evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto.

(i) "Board" means the Board of Directors of the Company.

(j) "Bonus Entitlement" means the right entitling the Grantee to receive cash bonuses pursuant to an Award Agreement granted under the Plan.

(k) "Bonus Entitlement Unit" means the unit that will be used to calculate the Incentive Bonuses to be paid to the Grantee.

(l) "Bonus Entitlement Unit Value" means the value of each Bonus Entitlement Unit determined by the Administrator and set forth in the Award Agreement.

(m) "Cause" means, with respect to the termination by the Company or a Related Entity of the Grantee's Continuous Service, that such termination is for "Cause" as such term (or word of like import) is expressly defined in a then-effective written agreement between the Grantee and the Company or such Related Entity, or in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator, the Grantee's: (i) performance of any act or failure to perform any act in bad faith and to the detriment of the Company or a Related Entity; (ii) dishonesty, intentional misconduct or material breach of any agreement with the Company or a Related Entity; or (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; provided, however, that with regard to any agreement that defines "Cause" on the occurrence of or in connection with a Corporate Transaction or a Change in Control, such definition of "Cause" shall not apply until a Corporate Transaction or a Change in Control actually occurs.

(n) "Change in Control" means a change in ownership or control of the Company effected through either of the following transactions:

(i) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's or the Parent's outstanding securities pursuant to a tender or exchange offer made directly to the Company's or the Parent's shareholders which a majority of the Continuing Directors who are not Affiliates or Associates of the offeror do not recommend such shareholders accept, or

(ii) a change in the composition of the board of Patent over a period of twelve (12) months or less such that a majority of the members (rounded up to the next whole number) of such board ceases, by reason of one or more contested elections for the board membership, to be comprised of individuals who are Continuing Directors.

(o) "Code" means the Income Tax Act (Chapter 134) of the Republic of Singapore, as amended.

(p) "Committee" means the Committee that is composed of the same members of the Remuneration Committee of the Parent to administer the Plan.

(q) "Company" means Aslan Pharmaceuticals Pte Ltd, a corporation formed under the laws of the Republic of Singapore, or any successor entity that adopts the Plan in connection with a Corporate Transaction.

(r) "Continuing Directors" means members of the directors of the Parent who either (i) have been the members to the board of the Parent continuously for a period of at least twelve (12) months or (ii) have been the members of the board of the Parent for less than twelve (12) months and were elected or nominated for election as members by at least a majority of the members of the board of the Parent described in clause (i) who were still in office at the time such election or nomination was approved by the board of the Parent.

(s) "Continuous Service" means that the provision of services to the Company or a Related Entity in any capacity of Employee is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee can be effective under Applicable Laws. A Grantee's Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity for which the Grantee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor, in any capacity of Employee, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee (except as otherwise provided in the Award Agreement).

(t) "Corporate Transaction" means any of the following transactions, provided, however, that the Administrator shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(i) A merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

(ii) The sale, transfer or other disposition of all or substantially all of the assets of the Company;

(iii) The complete liquidation or dissolution of the Company;

(iv) any reverse merger or series of related transactions culminating in a reverse merger in which the Company is the surviving entity but (A) the Ordinary Shares outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than forty percent (40%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger, but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction; or

(v) acquisition in a single or series of related transactions by any person or related group of persons of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction.

(u) "Director" means a member of the Board or the board of directors of any Related Entity.

(v) "Disability" means as defined under the long-term disability policy of the Company or the Related Entity to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Related Entity to which the Grantee provides service does not have a long-term disability plan in place, "Disability" means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(w) "Employee" means any person, including an Officer, who is in the employ of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a director's fee by the Company or a Related Entity shall not be sufficient to constitute "employment" by the Company.

(x) "Fair Market Value" means, as of any date, the value of the Parent's Shares determined as follows:

(i) If the Parent's Shares are listed on one or more established stock exchanges or national market systems, its Fair Market Value shall be the closing price for such Shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed. If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing price for such Shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in any marketplace accepted source as the Administrator deems reliable; or

(ii) In the absence of an established market for the Parent's Shares of the type described in (i) above, the Fair Market Value thereof shall be determined by the Administrator in good faith.

(y) "Good Reason" means the occurrence after a Corporate Transaction or Change in Control of any of the following events or conditions unless consented to by the Grantee (and the Grantee shall be deemed to have consented to any such event or condition unless the Grantee provides written notice of the Grantee's non-acquiescence within 30 days of the effective time of such event or condition:

(i) a change in the Grantee's responsibilities or duties which represents a material and substantial diminution in the Grantee's responsibilities or duties as in effect immediately preceding the consummation of a Corporate Transaction or Change in Control;

(ii) a reduction in the Grantee's base salary to a level below that in effect at any time within six (6) months preceding the consummation of a Corporate Transaction or Change in Control or at any time thereafter; provided that an across-the-board reduction in the salary level of substantially all other individuals in positions similar to the Grantee's by the same percentage amount shall not constitute such a salary reduction; or

(iii) requiring the Grantee to be based at any place outside a 50-kilometer radius from the Grantee's job location or residence prior to the Corporate Transaction or Change in Control except for reasonably required travel on business which is not materially greater than such travel requirements prior to the Corporate Transaction or Change in Control.

(z) "Grantee" means an Employee who receives an Award under the Plan.

(aa) "Incentive Bonuses" means the incentive bonuses to be paid to the Grantee in cash pursuant to the terms and conditions of the Plan and the Award Agreement.

(bb) "Officer" means a person who is an officer of the Company or a Related Entity

(cc) "Parent" means ASLAN Pharmaceuticals Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

(dd) "Plan" means this 2017 SMT Long Term Incentive Plan.

(ee) "Related Entity" means any Parent or Subsidiary of the Company, as well as any entity which is deemed as an associated entity of the Company or any Parent or Subsidiary under applicable accounting principles.

(ff) "Replaced" means that pursuant to a Corporate Transaction the Award is replaced with a comparable share award or a cash incentive program of the Company, the successor entity (if applicable) or Parent of either of them which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same (or a more favorable) vesting schedule applicable to such Award. The determination of Award comparability shall be made by the Administrator and its determination shall be final, binding and conclusive.

(gg) "Share" means an Ordinary Share.

(hh) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in the Companies Act of Singapore, Cap. 50.

3. Administration of the Plan.

(a) Plan Administrator.

(i) Administration. The Plan shall be administered by the Committee and such Committee shall continue to serve in its designated capacity until otherwise directed by the Board.

(ii) Administration Errors. In the event an Award is granted in a manner inconsistent with the provisions of this subsection (a), such Award shall be presumptively invalid as of its grant date to the extent permitted by the Applicable Laws.

(b) Powers of the Administrator. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

(i) to select the Employees to whom Awards may be granted from time to time hereunder;

(ii) to determine whether and to what extent Awards are granted hereunder;

(iii) to determine the number and value of Bonus Entitlement Units to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions of any Award granted hereunder;

(vi) to amend the terms of any outstanding Award granted under the Plan, provided that any amendment that would adversely affect the Grantee's rights under an outstanding Award shall not be made without the Grantee's written consent;

(vii) to construe and interpret the terms of the Plan and Awards, including without limitation, any notice of award or Award Agreement, granted pursuant to the Plan;

(viii) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator; provided that the Administrator may not exercise any right or power reserved to the Board. Any decision made, or action taken, by the Administrator or in connection with the administration of this Plan shall be final, conclusive and binding on all persons having an interest in the Plan.

(c) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or as Officers or Employees of the Company or a Related Entity, members of the Board and any Officers or Employees of the Company or a Related Entity to whom authority to act for the Board, the Administrator or the Company is delegated shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

4. Eligibility. The Awards may be granted to Employees as the Administrator may determine from time to time.

5. Terms and Conditions of Awards.

(a) Types of Awards. The Administrator is authorized under the Plan to award only the right to receive the Bonus Entitlements to an Employee.

(b) Conditions of Award. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, rights of first refusal, and forfeiture provisions upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria, if any as determined by the Administrator.

(c) Acquisitions and Other Transactions. The Administrator may issue Awards under the Plan in settlement, assumption or substitution for, outstanding awards or obligations to grant future awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger, stock purchase, asset purchase or other form of transaction.

(d) Term of Award. The term of each Award shall be the term stated in the Award Agreement, provided, however, that the term of an Award shall be no more than ten (10) years from the date of grant thereof. However, in the case of an Award granted to a Grantee who, at the time the Award is granted, owns the Parent's Shares representing more than ten percent (10%) of the voting power of all classes of shares of the Company or any Parent or Subsidiary of the Company, the term of the Award shall be ten (10) years from the date of grant thereof or such shorter term as may be provided in the Award Agreement.

(e) Transferability of Awards. The Bonus Entitlement Units may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner and may be redeemed, during the lifetime of the Grantee, only by the Grantee.

(f) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other later date as is determined by the Administrator.

6. Award Redemption, Consideration and Taxes.

(a) Incentive Bonuses Calculation. The Bonus Entitlement Units when vested and redeemed by the Grantee will entitle the Grantee to receive the following amount in cash:

A=X times E

**A** shall mean the amount of Incentive Bonuses in cash to be received by the Grantee;

**X** shall mean the Fair Market Value of each Parent's Share on the day following the Company's receipt of a redemption notice; provided that if the Fair Market Value of each Parent's Share exceeds five times the Bonus Entitlement Unit Value, X should be the amount equal to five times the Bonus Entitlement Unit Value;

**E** shall mean the number of Bonus Entitlement Units vested and redeemed by the Grantee.

(b) Taxes. All taxes (including personal income tax) arising from the exercise of any Award granted to any participant under the scheme shall be borne by that participant.

(c) Payment. The Company will pay the Incentive Bonuses for the Bonus Entitlement Units legally redeemed by the Grantee pursuant to the terms of the Plan and the Award Agreement within ____ after receipt of the redemption notice.

7. Redemption of Award.

(a) Procedure for Redemption.

(i) Any Award granted hereunder shall be redeemable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement.

(ii) An Award shall be deemed to be redeemed when written notice of such redemption has been given to the Company in accordance with the terms of the Award by the person entitled to redeem the Award.

(b) Automatic Redemption of Award upon Termination of Continuous Service.

(i) The vested Bonus Entitlement Units shall be deemed to be automatically redeemed on the date of the Termination of Continuous Services without delivery of any redemption notice.

(ii) Upon the Grantee's death, the vested Bonus Entitlement Units shall be deemed to be automatically redeemed at the time of the Grantee's death, and the designated beneficiaries of the Grantee's Award designated by the Grantee or in the absence of such designation, the heirs of the Grantee, will receive the payment of the Incentive Bonuses. The Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Administrator.

(c) Automatic Redemption upon increase in the Fair Market Value of Parent's Shares. The Award and the vested Bonus Entitlement Units shall be deemed to be automatically redeemed without delivery of any redemption notice on the day following the day when the Fair Market Value of each Parent's Share exceeds five times the value of each Bonus Entitlement Unit.

(d) The unvested Bonus Entitlement Units shall be deemed to become forfeited and void upon occurrence of the events giving rise to the automatic redemption events unless the Administrator expressly deems otherwise.

8. Conditions Upon Receipt of Incentive Bonuses.

(a) If at any time the Administrator determines that the payment of the Incentive Bonuses pursuant to the redemption, vesting or any other provision of an Award is or may be unlawful under Applicable Laws, the vesting or right to redeem an Award or to otherwise receive the Incentive Bonuses pursuant to the terms of an Award shall be suspended until the Administrator determines that such delivery is lawful and shall be further subject to the approval of counsel for the Company with respect to such compliance.

9. Adjustments Upon Changes in Capitalization.

Subject to any required corporate actions of the Company and Section 10 hereof, the Bonus Entitlement Units covered by each outstanding Award, the value of each Bonus Entitlement, the maximum number of Bonus Entitlement Units with respect to which Awards may be granted to any Grantee in any calendar year, as well as any other terms that the Administrator determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of the Parent's Shares resulting from a subdivision, consolidation, share dividend, combination or redesignation of the Parent's Shares, or similar transaction affecting the Parent's Shares, (ii) any other increase or decrease in the number of Parent's Shares effected without receipt of consideration by the Company, or (iii) any other transaction with respect to the Parent's Shares including a corporate merger, consolidation, acquisition of property or shares, separation (including a spin-off or other distribution of shares or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been

"effected without receipt of consideration." In the event of any distribution of cash or other assets to shareholders other than a normal cash dividend, the Administrator shall also make such adjustments as provided in this Section 9 or substitute, exchange or grant Awards to effect such adjustments (collectively "adjustments"). Any such adjustments to outstanding Awards will be effected in a manner that precludes the enlargement of rights and benefits under such Awards. In connection with the foregoing adjustments, the Administrator may, in its discretion, prohibit the redemption of Awards during certain periods of time. Except as the Administrator determines, no issuance by the Parent's shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or value of the Bonus Entitlements subject to an Award.

10. Corporate Transactions and Changes in Control.

(a) Termination of Award to Extent Not Assumed in Corporate Transaction. Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan shall terminate. However, all such Awards shall not terminate to the extent they are assumed in connection with the Corporate Transaction.

(b) Acceleration of Award Upon Corporate Transaction or Change in Control.

(i) Corporate Transaction. Except as provided otherwise in an individual Award Agreement, in the event of a Corporate Transaction and:

(A) for the portion of each Award that is Assumed or Replaced, then such Award (if Assumed), the replacement Award (if Replaced), or the cash incentive program (if Replaced) automatically shall become fully vested, redeemable and payable and be released from any forfeiture rights for all of the Bonus Entitlement Units (or other consideration) at the time represented by such Assumed or Replaced portion of the Award, immediately upon termination of the Grantee's Continuous Service if such Continuous Service is terminated by the successor company or the Company without Cause or voluntarily by the Grantee with Good Reason within twelve (12) months[1] after the Corporate Transaction; and

(B) for the portion of each Award that is neither Assumed nor Replaced, such portion of the Award shall automatically become fully vested and redeemable and be released from any forfeiture rights (other than repurchase rights redeemable at Fair Market Value) for all of the Bonus Entitlement Units (or other consideration) at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, provided that the Grantee's Continuous Service has not terminated prior to such date. For Awards that have a redemption feature, the portion of the Award that is not Assumed shall terminate under subsection (a) of this Section 10 to the extent not redeemed prior to the consummation of such Corporate Transaction.

(ii) Change in Control. Except as provided otherwise in an individual Award Agreement, following a Change in Control (other than a Change in Control which also is

a Corporate Transaction) and upon the termination of the Continuous Service of a Grantee if such Continuous Service is terminated by the Company or Related Entity without Cause or voluntarily by the Grantee with Good Reason within twelve (12) months after a Change in Control, each Award of such Grantee which is at the time outstanding under the Plan automatically shall become fully vested and redeemable and be released from any forfeiture rights, immediately upon the termination of such Continuous Service.

11. Effective Date and Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board of the Company. It shall continue in effect for a term of ten (10) years unless sooner terminated. Subject to Section 12, below, and Applicable Laws, Awards may be granted under the Plan upon its becoming effective.

12. Amendment, Suspension or Termination of the Plan.

(a) The Board may at any time amend, suspend or terminate the Plan. In addition, in order to assure the viability of Awards granted to participants employed in various jurisdictions, the Administrator may, in its sole discretion, provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy or custom applicable in the jurisdiction in which the participant resides or is employed. Moreover, the Administrator may approve such supplements to, amendments, restatements, or alternative versions of the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted that would violate any Applicable Laws.

(b) No Award may be granted during any suspension of the Plan or after termination of the Plan.

(c) No suspension or termination of the Plan (including termination of the Plan under Section 10 above) shall adversely affect any rights under Awards already granted to a Grantee.

13. No Effect on Terms of Employment Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or any Related Entity to terminate the Grantee's Continuous Service at any time, [with or without cause], and with or without notice.

14. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation.

15. Unfunded Obligation. Grantees shall have the status of general unsecured creditors of the Company. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or

establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee's creditors in any assets of the Company or a Related Entity. The Grantees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

16. Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

17. No exclusivity of the Plan. Neither the adoption of the Plan by the Board, nor any provision of the Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

18. Disputes

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

19. Condition of Bonus Entitlement

Every Bonus Entitlement shall be subject to the condition that no Incentive Bonuses shall be paid pursuant to the redemption of a Bonus Entitlement if such payment would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the payment hereunder.

20. Governing Law

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The participants, by accepting Options in accordance with the Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

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**Exhibit 10.5**

*****Text Omitted and Filed Separately with the Securities and Exchange Commission. Confidential Treatment Requested Under 17 C.F.R. Sections 200.80(b)(4) and 240.24b-2.**

**AMENDED**

# DEVELOPMENT AND LICENSE AGREEMENT

By and between

**ALMIRALL, S.A.**

and

**ASLAN PHARMACEUTICALS PTE. LTD.**

Dated: December 21, 2015

This AMENDED DEVELOPMENT AND LICENSE AGREEMENT (the "Agreement"), dated as of December 21, 2015 ("Effective Date"), is entered by and between **ALMIRALL, S.A.** ("ALMIRALL"), a Spanish corporation having its principal offices at Ronda de General Mitre, 151, 08022 Barcelona, Spain, and **ASLAN PHARMACEUTICALS Pte. Ltd.** ("ASLAN"), a Singapore corporation having its principal offices at 10A Bukit Pasoh Road, Singapore 089824. ALMIRALL and ASLAN shall be referred to individually as a "Party" and collectively as the "Parties".

**WITNESSETH**

**I.** WHEREAS, ALMIRALL has identified and owns proprietary rights to a Compound (as this term is defined below) that could be suitable for use, after appropriate development, in the Product (as this term is defined below) within the Licensed Field (as this term is defined below).

**II.** WHEREAS, ASLAN is a company with experience and expertise in the development of pharmaceutical products.

**III.** WHEREAS, ALMIRALL has provided ASLAN with access to some Information (as this term is defined below) of ALMIRALL with the exclusive purpose of permitting ASLAN to verify whether it would be interested in carrying out the Development (as this term is defined below), to receive the grant of ASLAN's Commercialization Rights (as this term is defined below)

**IV.** WHEREAS, such ASLAN's access to the ALMIRALL's Information has been done subject to the Confidentiality Agreement dated 22 July 2011, entered between the Parties, as amended by the Amendment Agreement to the Confidentiality Agreement dated 13 March 2012, the Earlier Development and License Agreement and to the terms and conditions applicable to the data site created by ALMIRALL.

**V.** WHEREAS, after reviewing the ALMIRALL's Information, ASLAN has informed ALMIRALL of its interest to conduct the Development with the purpose of exercising ASLAN's Commercialization Rights.

**VI.** WHEREAS, ALMIRALL wishes to grant ASLAN and, ASLAN wishes to receive from ALMIRALL, a license to use the ALMIRALL Information with the exclusive purpose of conducting the Development and, after that, to exercise ASLAN's Commercialization Rights on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the following mutual promises and obligations, the Parties agree to enter into this Agreement which shall be subject to the following:

## SECTION 1
## DEFINITIONS

For the purpose of this Agreement and unless otherwise required by the context, the capitalised words and expressions listed below shall have the meaning set forth beside each of them, being understood that words denoting the singular include the plural and vice versa:

1.1 Affiliate shall mean, with respect to any Party, any other Person which controls, is controlled by or is under common control with such Party, in each case directly or indirectly. A Person shall be deemed to control any of the Parties if such Person possesses the power to direct or cause the direction of the management, business and policies of such Person, whether through the ownership of more than fifty per cent (50%) of the voting securities of such Person, by contract or otherwise.

1.2 Agreement shall have the meaning set out in the preamble of this Agreement.

1.3 ALMIRALL shall have the meaning set out in the preamble of this Agreement.

1.4 ALMIRALL Competitor shall mean any company or group of companies that is active in developing, manufacturing, marketing, promoting or commercialising a Competing Product.

1.5 ALMIRALL Pre-existing Know How shall mean all Information that is Controlled by ALMIRALL or by any of its Affiliates, as of the Effective Date, which is necessary or useful for the Development, manufacture, use or sale of the Product and which it is not included or covered by the ALMIRALL Patents.

1.6 ALMIRALL Patents shall mean any and all patents and patent applications which as of the Effective Date are owned by ALMIRALL or its Affiliates and that contain at least one Valid Claim

that encompasses or embraces the Compound or the Product, or the manufacture or use of any of the foregoing, including without limitation, any continuations, divisionals, continuations-in-part, re-examinations, reissues, substitutions, confirmations, registrations, re-validations, patents of addition, patent term extensions and supplementary protection certificates, in any case, for the Territory. All ALMIRALL Patents existing as of the Effective Date are set forth on **Schedule 1.6**.

1.7 ALMIRALL IP shall mean the ALMIRALL Patents, the ALMIRALL Pre-existing Know How and the Product Development Information.

1.8 ASLAN shall have the meaning set out in the Preamble.

1.9 ASLAN's Commercialization Rights shall mean the rights identified in Section 2.1 of this Agreement.

1.10 ASLAN Developed Know-How shall mean all Information that is Controlled by ASLAN or by any of its Affiliates *(i)* that results from the Development or from the manufacture of the Product, *(ii)* that is useful for the Development, manufacture, use, commercialization or sale of the Product, and *(iii)* which is neither included in, or covered by, the ALMIRALL IP.

1.11 ASLAN Pre-existing Know How shall mean all Information that is Controlled by ASLAN or by any of its Affiliates, as of the Effective Date, which is necessary or useful for the Development or for the manufacture of the Product.

1.12 Business Day shall mean any day on which the offices of ALMIRALL or ASLAN are normally scheduled to be open for business, as indicated on their respective corporate calendars.

1.13 Claims shall mean all charges, complaints, actions, suits, proceedings, hearings, investigations, claims, demands, judgments, orders, decrees, stipulations, injunctions, damages (including but not limited to damages claimed by Third Parties), deficiencies, defaults, assessments, dues, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, taxes, liens, losses, expenses, costs and fees (including without limitation interest, court costs, reasonable fees of attorneys, accountants and other experts or other expenses of litigation or other proceedings or of any claim, default or assessment), and includes all damages awardable pursuant to the Law.

1.14 Clinical Proof-of-Concept shall mean the completion of clinical Phase 2 trials as agreed by the Parties in the Development Plan (and as may subsequently be amended from time to between the Parties in writing).

1.15 Commercially Reasonable Efforts shall mean the carrying out of obligations or tasks in a reasonable, good faith, and diligent manner consistent with efforts and resources as commonly used by a company with experience and expertise in the research, development and commercialization of pharmaceutical products for a pharmaceutical product at a similar stage of research and development, and having similar market potential than the Product, taking into account, without limitation, issues of safety, efficacy, product profile, status of the Product, the development costs, the regulatory environment, and other scientific factors, market conditions then prevailing, including competitive environment, profitability the competitiveness of alternative products that are or are expected to be in the relevant marketplace, and other similar factors.

1.16 Competing Product shall mean any pharmaceutical product or any pharmaceutical compound that has the same mechanism of action (DHODH inhibitor) as the Compound within the Licensed Field.

1.17 Compound shall mean the ALMIRALL proprietary compound identified as LAS 186323 or other compounds to be provided by ALMIRALL with the same mechanism of action (back-ups).

1.18 Confidential Information shall mean all Information or materials possessed or developed by either ASLAN or ALMIRALL or their respective Affiliates, whether developed before or after the Effective Date, in relation to the Development, manufacture and the commercialization of the Product hereunder, including, but not limited to, the Information disclosed by ALMIRALL to ASLAN under the Agreement, the ALMIRALL IP, ASLAN Pre-existing Know How, ASLAN Developed Know How and any Information disclosed and discussed by the Parties in the framework of the JSC.

1.19 Control or Controlled shall mean, with respect to any particular material, item of Information or intellectual property, that the Party owns or has a license to such item or right, and has the ability to grant to the other Party the license (or sublicense, as applicable) to such item or right as provided for in this Agreement.

1.20 Development shall have the meaning set forth in Section 5.1 of this Agreement.

1.21 Development Plan shall mean the development plan agreed by the Parties and attached to this Agreement as **Schedule 1.21** which will be updated from time to time and presented to ALMIRALL at the JSC.

1.22 Earlier Development and License Agreement shall mean the development and license agreement entered into between the Parties on 16th May 2012 which is superseded by this Agreement pursuant to Section 15.6 below.

1.23 Effective Date shall mean the date appearing in the preamble of this Agreement.

1.24 Good Clinical Practices or GCP means the current Good Clinical Practices as commonly understood in the pharmaceutical industry, including without limitation those specified in the European Union regulations, the applicable standards of the European Medicine Agency (EMA) and the regulations where the Development (or the manufacture of the Product) is performed, at the time of testing.

1.25 Good Laboratory Practices or GLP means the current Good Laboratory Practices as commonly understood in the pharmaceutical industry, including without limitation those specified in the European Union regulations, the applicable standards of the European Medicine Agency (EMA) and the regulations where the Development (or the manufacture of the Product) is performed, at the time of testing.

1.26 Good Manufacturing Practices or GMP means the current Good Manufacturing Practices as commonly understood in the pharmaceutical industry, including without limitation those specified in the European Union regulations, the applicable standards of the European Medicine Agency (EMA) and the regulations where the Development (or the manufacture of the Product) is performed, at the time of testing.

1.27 Information shall mean information, results, data and materials of any type whatsoever, in any tangible or intangible form whatsoever, including without limitation, inventions, discoveries, processes or other intellectual property rights, databases, practices, methods, techniques, specifications, formulations, knowledge, skill, experience, test data including pharmacological, biological, chemical, biochemical, toxicological, safety and efficacy data, marketing data, absorption, distribution, metabolism, excretion studies, preclinical and clinical test data, analytical and quality control data, stability data, studies and procedures related to the Compound or the Product. As the case may be, the Information will include the ALMIRALL IP and ASLAN's Pre-existing Know How.

1.28 Joint Steering Committee or JSC shall mean the Joint Steering Committee to be established by the Parties pursuant to Section 6.1 of this Agreement.

1.29 Laws shall mean all laws, statutes, rules, regulations, orders, judgments, injunctions and/or ordinances of any governmental or public authority in the country where the concerned action is going to be performed.

1.30 License shall mean the license granted by ALMIRALL to ASLAN set forth in Section 2.1 of this Agreement.

1.31 Licensed Field shall mean the treatment or prevention of any disease in humans with primary focus on oncology diseases, excluding any Dermatological disease or any topical formulation.

1.32 Milestones means the milestones referred to in sub-clause 8.2.1(a) to (d) of this Agreement.

1.33 Net Sales shall mean, on a country by country basis, with respect to the Products, the total ex-factory gross sales by ASLAN and its Sublicensees to Third Parties in the Territory, after reasonable and customary deduction of the following:

(i) customary trade, quantity or prompt settlement discounts (including chargebacks and allowances) actually allowed;

(ii) amounts repaid or credited by reason of rejection, returns or recalls of goods;

(iii) mandatory rebates and similar payments made with respect to sales paid for by any governmental or regulatory authority;

(iv) sales, excise, turnover, inventory, value-added, indirect and any other tax of a similar nature assessed on the sale of the Products, as well as customs duties, customs levies and import fees imposed on the sale, importation, use or distribution of the Products; and

(v) any other similar and customary deductions, provided that such discounts and deductions are consistent with generally accepted international accounting principles that ASLAN or its Affiliates customarily apply with respect to its own portfolio of similar market potential at a similar stage in development or product life in the Field and that such discounts and deductions given are commercially reasonable, product specific and are given in the interest of increasing overall revenues of the Products.

1.34 Net Sales Report means a statement in writing provided by ASLAN to ALMIRALL in accordance with clause 8.3 of this Agreement, setting out the Net Sales received by ASLAN in respect of the preceding Quarterly Period.

1.35 Person shall mean any individual, partnership, joint venture, limited liability company, corporation, firm, trust, association, unincorporated organization, governmental authority or agency, or any other entity not specifically listed herein.

1.36 Product shall mean any oral pharmaceutical product containing the Compound as its sole active ingredient, or with other ingredients if agreed between the Parties, for use within the Licensed Field only.

1.37 Product Development Information shall have the meaning set forth in Section 5.6 of this Agreement.

1.38 Quarterly Period means the periods of three months commencing on 1 January, 1 April, 1 July and 1 October in each calendar year respectively.

1.39 Sublicensee shall mean any ASLAN Affiliate or Third Party to whom ASLAN sublicenses rights under this Agreement.

1.40 Sublicense Income shall mean any and all payments received by ASLAN from its Sublicensees (including without limitation any upfront payments, down-payments, milestones, and other revenues whatsoever), but excluding amounts received in concept of royalties and/or Product supplies.

1.41 Term shall have the meaning set forth in Section 13 of this Agreement.

1.42 Territory shall mean all the countries of the world.

1.43 Third Party shall mean any Person other than ASLAN or ALMIRALL or any Affiliate of either Party.

1.44 Valid Claim shall mean either (a) a claim of a granted and unexpired patent, which claim has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental agency or competent jurisdiction, unappealable within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise or (b) a claim of a pending patent application, which claim was filed in good faith and has not been abandoned or finally disallowed without the possibility of appeal or refilling of said application.

## SECTION 2
## **GRANT OF LICENSES**

2.1 License to ASLAN. ALMIRALL hereby grants to ASLAN subject to the provisions of this Agreement, the exclusive and non-assignable right (subject to clause 15.1), under the ALMIRALL IP, in the Territory and within the Licensed Field:

(i) to conduct and perform the Development;

(ii) to manufacture, or have manufactured, the Product;

(iii) to commercialize the Products in the Territory; and

(iv) to sublicense to Affiliates and/or Third Parties the necessary rights, to perform (i) or (ii) and/or (iii) in the Territory.

All rights granted hereby by ALMIRALL to ASLAN shall be exercised in the Territory, during the Term and in accordance with the terms and conditions set out in this Agreement (the "**License**").

2.2 License to ALMIRALL. ASLAN hereby grants to ALMIRALL, and ALMIRALL accepts, the irrevocable right, to use ASLAN Developed Know-How, free of charge, for ALMIRALL's internal programs for topical use and/or in the dermatology field. This internal use, however, shall not prevent the ALMIRALL's right to commercialize the results of such internal programs for topical use and/or in the dermatology field in accordance with the pharmaceutical standard business practices.

2.3 No other rights. ALMIRALL grants to ASLAN no other rights than those included within the License. ALMIRALL reserves all rights not expressly included in the License.

2.4 Non-Compete. ASLAN shall not be, directly or indirectly, involved in any development or commercialization activity with any Competing Product during a period starting on the Effective Date until the longest of (a) the term in which an ALMIRALL IP is in force or (b) ten (10) years following the launch of the Product on country by country basis.

2.5 ALMIRALL's First Negotiation Right For Melanoma. The Parties agree that ALMIRALL shall have a right of first negotiation to take a licence of the Compound and/or on any products containing the Compound for use in the treatment of melanoma.

In order to permit ALMIRALL to exercise such right of first negotiation, as soon as ASLAN has available a licence of the Compound for use in Melanoma and has commenced negotiations with a Third Party for the grant of such a licence, it shall promptly disclose this circumstance to ALMIRALL and ASLAN shall provide ALMIRALL with information in sufficient detail to enable ALMIRALL to decide whether it desires or not to exercise the right of first negotiation.

Upon receipt of such information, ALMIRALL will have […***…] to evaluate it. During such evaluation period, ALMIRALL may require ASLAN to provide additional information or further explanation of such information. Provided that ASLAN has supplied the corresponding information for the evaluation, ALMIRALL shall inform ASLAN, within such […***…] period, if it is interested in exercising the right of first negotiation or not, by written notice. Failure by ALMIRALL to give written notice of its interest or lack of interest in negotiating within the mentioned period shall be deemed a waiver by ALMIRALL of its right of first negotiation.

In the event ALMIRALL decides to exercise the right of first negotiation, then the Parties shall enter into a period ("Negotiation Period") to negotiate in good faith the terms and conditions applicable to the license to be granted by ASLAN to ALMIRALL. The Negotiation Period shall endure for a maximum of […***…] after the date of the ALMIRALL's notice. If ALMIRALL waives its right of first negotiation within the Negotiation Period, or if the Parties, acting in good faith, fail to agree to the terms applicable to such license to ALMIRALL, evidenced by mutually agreeing a term sheet, within the Negotiation Period, then ASLAN shall be free to grant the licence negotiated with ALMIRALL in relation to the Compound for treatment of melanoma to any Third Party. However, ASLAN shall not grant any such rights to any Third Party on terms which are less favourable to ASLAN than those last offered to ALMIRALL without first offering such terms to ALMIRALL. If ALMIRALL notifies ASLAN in writing that ALMIRALL accepts such terms, within […***…], then the Parties shall enter into an agreement on such terms within […***…] after such notice from ALMIRALL. If ALMIRALL does not notify ASLAN in writing that ALMIRALL accepts such terms, within the said […***…] period, then ASLAN shall be free to grant such rights to any Third Party on such terms.

## SECTION 3
## **TECHNOLOGY DISCLOSURE**

3.1 Information disclosed under Earlier Development and License Agreement. A list of information disclosed by ALMIRALL to ASLAN under the Earlier Development and License Agreement is included as **Schedule 3.1**.

***Confidential Treatment Requested

SECTION 4
**MANUFACTURING OF THE PRODUCT**

4.1 License to manufacture the Product. As provided in Section 2.1 above, ALMIRALL grants ASLAN the exclusive and non-assignable right to use the ALMIRALL IP in the Territory and during the Term, with the purpose of manufacturing the Product to conduct the Development and exercising ASLAN's Commercialization Rights.

4.2 Manufacture of the Product. ASLAN shall manufacture the Product directly or through any Third Party subject to the provisions of Section 15.1 below. ASLAN recognises and agrees that such manufacture will be performed under ASLAN's exclusive control and without ALMIRALL's involvement.

ALMIRALL shall neither be obliged to provide ASLAN with any information nor with any amount of the Compound, product, material, raw material, excipients, etc., necessary for manufacturing the Product, nor with any personal or material assistance. ASLAN shall only be entitled to entrust the manufacturing of the Product to a Third Party, provided that such Third Party agrees in advance to comply with the obligations included in Section 9.8.

4.3 Responsibility. ASLAN recognises and agrees that the manufacturing of the Product will be performed under ASLAN's exclusive responsibility. ASLAN shall use, handle, store and dispose of the Information and shall manufacture the Product at its own risk and expense, in compliance with any and all applicable Law and with the GCP, GLP and GMP. ASLAN assumes full responsibility for potential outcome or damage caused by the Product manufactured by ASLAN (or by an ASLAN's contractor). Therefore, ASLAN shall bear all Claims resulting from or associated with the manufacture, use, handle, storage and disposal of the Product manufactured by ASLAN, or by a Third Party under ASLAN's request, and/or disposal of the Information for such purposes.

SECTION 5
**DEVELOPMENT**

5.1 Development. Based on the License, ASLAN shall carry out activities to complete the development of the Product, as agreed in the Development Plan, including for example, CMC/pharmaceutical development, research, preclinical and clinical activities. For this purpose, ASLAN shall perform regulatory activities and shall obtain all necessary regulatory authorizations, which will include, among others, to obtain any regulatory authorizations necessary to conduct clinical trials under the Development Plan (the "Development").

5.2 Performance of the Development and responsibility. ASLAN shall carry out the Development in accordance with the Development Plan. Any changes to the Development Plan (other than minor operational matters) shall be notified to the Parties through the JSC.

ASLAN shall have control and shall bear all of the costs and expenses associated with the Development, and shall conduct such tasks in compliance with the requirements of the applicable Laws, including without limitation the then-current GCP and GLP. In the Development of the Product, ASLAN may collaborate or consult with researchers and investigators and may contract for studies or for manufacturing services. However, ASLAN is not entitled to contract for conducting of any study with any purpose beyond the scope of the License.

The Development shall be conducted and performed at ASLAN's sole risk and responsibility. Therefore, ASLAN assumes full responsibility for potential outcome or damage derived from the conduct and performance of the Development (including but not limited to any Claims for payment of any compensation due to any participants in the clinical trials conducted in the framework of the Development who suffer death or bodily injury pursuant to any rights or applicable industry guidelines) and shall be responsible for any such Claims resulting from such activities.

5.3 Commercially Reasonable Efforts. ASLAN shall use Commercially Reasonable Efforts to conduct the Development with the goal of completing the Development for the Product in the terms set out in the Development Plan.

5.4 Records and Reports. ASLAN shall maintain records in sufficient detail and in a good scientific manner of all work conducted by it under the Development Plan and all Information resulting from such work. Such records, including any electronic files where such Information may also be contained, shall reflect all work done and results achieved in the performance of the Development Plan in sufficient detail and in a good scientific manner appropriate for regulatory

purposes. ASLAN shall provide ALMIRALL via the JSC or email every […***…] with reports summarizing ASLAN's development activities under the Development Plan and the outcome of the studies conducted thereunder. In addition, ASLAN will submit to the JSC protocols of any study before they start and will provide a summary of the final reports once any study is completed.

5.5 ALMIRALL's involvement in the Development. ASLAN recognises and agrees that the Development will be conducted under ASLAN's exclusive control and without ALMIRALL's involvement. ALMIRALL shall have no obligation to participate, collaborate, assist or be involved in any way in the Development.

5.6 Product Development Information. ASLAN undertakes, promptly upon becoming aware of it, to communicate and deliver to ALMIRALL, through the JSC, any significant Information conceived, generated, developed, invented, or reduced to practice solely by employees of either Party and/or jointly by employees of both Parties, or other persons not employed by the Parties acting on behalf of ALMIRALL or ASLAN (including but not limited to any ASLAN's agent or independent contractor), resulting from or arising out of the Development or the manufacture of the Product, including Information and know-how related to alternatives or improvements of the manufacturing proceeding, improvements of the Products, and the formulation of finished Product, but excluding any ALMIRALL's Information (the "**Product Development Information**"). Ownership and exploitation of the Product Development Information shall be in accordance with Section 9.2 of this Agreement.

5.7 Publication Strategy. Any and all publications, totally or partially, of the Product Development Information, including but not limited to clinical studies results, shall be agreed in advance by the Parties through a decision passed by the JSC.

## SECTION 6
## JOINT STEERING COMMITTEE

6.1 Joint Steering Committee. The Parties shall promptly, and in no event later that […***…] after the Effective Date, establish a Joint Steering Committee ("JSC"). For such purpose the Parties shall appoint within the referred period, at least (1) person from their respective organizations and shall inform the other Party of the contact details of the appointed people. Each Party is entitled to remove the people appointed as the members of the JSC and appoint new members at any time and without limitation, provided that the Party changing its representatives informs the other Party of any such changes. The JSC's main responsibilities will be:

(i) to serve as a forum for exchanging any Information regarding the Development and Commercialization. For this purpose, ASLAN shall provide ALMIRALL through the JSC with any and all reports, results, data, technical information, preclinical and clinical data and all final and intermediate studies reports resulting from the Development and Commercialization activities;

(ii) to agree the form, timing and content of any publication related to this Agreement, including but not limited to any publication referred in Sections 5.7 and 12.5.

6.2 JSC meetings. As a general rule, ASLAN shall be in charge of the organization of any meeting of the JSC. In particular, ASLAN shall call the meeting, set the agenda (which will include, where practical, a list of all participants expected in the meeting) and circulate the agenda at least […***…] prior to the meeting. Unless otherwise expressly agreed by the Parties, the JSC will meet […***…] per year. Should any of the Parties consider necessary to call a meeting of the JSC, such Party shall inform the other Party by written notice. Both Parties understand that reasonable flexibility to set meeting dates and schedules shall be necessary in view of possible previous commitments in each Party's calendars, therefore, several different dates shall be proposed for each meeting, whenever possible. The Parties agree that as a general rule, all the meetings will be held face to face in person in the city of Barcelona. Without prejudice to the above, the Parties understand and agree that ALMIRALL shall have no obligation to participate in the JSC. Absence of ALMIRALL's participation in the JSC meeting shall not release ASLAN of its obligation to inform ALMIRALL as above.

6.3 Minutes. ASLAN shall prepare and circulate to ALMIRALL drafts of minutes of all JSC meetings within […***…] of the meeting. Such drafts must provide a description in reasonable detail of the discussions held at the meeting and a list of actions, decisions or

determinations approved by the JSC. ALMIRALL will review such draft with a target of providing any comments within […***…] of receipt. Final minutes shall be promptly prepared by ASLAN following the resolution of any outstanding comments.

6.4 Language. All the meetings, the information to be exchanged between the Parties as a consequence of the Agreement, and the minutes of the JSC' meetings shall be in English language.

## SECTION 7
## **REGULATORY**

7.1 Responsibility for regulatory interactions. ASLAN shall be responsible for the preparation and filing of any and all regulatory process, health technology assessments, negotiation, interaction, application and activity which could be necessary to carry out the activities set out in the Development Plan, All such regulatory documents will be filed in ASLAN's name and on its behalf.

Notwithstanding the above, ALMIRALL will have the right to review and comment on any substantive regulatory communications, and to the extent permitted by law, to participate in substantive meetings with any competent regulatory authority.

7.2 ASLAN's duty to inform. ASLAN shall keep ALMIRALL reasonably informed of any material events regarding, or material changes in the process of, ASLAN's efforts to obtain and maintain any regulatory approval as soon as reasonably practicable after such event occurs.

7.3 Subsequent regulatory activities. Upon completion of the Development Plan, the Parties shall meet through the JSC in order to inform ALMIRALL of any additional regulatory documents and proceedings will be necessary, if any, to be prepared and filled, in order to continue with the development of the Product or for ASLAN to exercise ASLAN's Commercialization Rights.

7.4 Records. The Parties shall maintain a record of all non-medical and medical Product-related or Compound-related complaints and reports on adverse events that any of them obtain, directly or from any Third Party, as a consequence of the performing of any activity contemplated in this Agreement or by any other reason.

7.5 Exchange of safety Information. If applicable, the Parties shall establish procedures for the exchange and reporting of all adverse events related to the Compound, which shall be governed by a Pharmacovigilance & Safety Exchange Agreement (the "**Pharmacovigilance Agreement**"). The Parties shall use Commercially Reasonable Efforts to establish such procedures and execute the mentioned Pharmacovigilance Agreement, if applicable, within […***…] from the Effective Date. Once signed, the Pharmacovigilance Agreement will be attached to this Agreement as **Schedule 7.5**.

Each Party shall designate a qualified/appropriate person responsible for pharmacovigilance to ensure proper communication of, and adherence to, the Pharmacovigilance Agreement. Each Party shall be responsible for the collection of adverse event reports for the Compound reported to that Party in their respective development programs. Starting on Effective Date and for so long as the Pharmacovigilance Agreement is not signed all serious adverse events and reactions, whether believed due to the Compound or not, will be transmitted to the other Party as promptly as possible and in any event within […***…] of first knowledge of the event/reaction except for deaths or life-threatening events which will be transmitted within […***…].

Each Party will be responsible to prepare the aggregate reports required to fulfill regulatory requirements for their corresponding activities with the Compound or the Product (e.g., regulatory periodic reports, DSURs etc.). Each Party shall make an effort to promptly obtain any follow-up information to the initial report from the reporter. The Parties shall promptly inform each other of any safety issues in a time and manner sufficient to permit the Parties to comply with their respective legal and regulatory responsibilities.

7.6 Costs and expenses. Any and all cost derived from any regulatory activity related to the Product under the Development Plan (included but not limited to mandatory taxes or fees to be paid to the competent regulatory authorities in any country of the Territory) shall be paid by ASLAN.

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SECTION 8
**COMMERCIALIZATION & SUBLICENSE**

8.1 ASLAN's Commercialization Rights. Upon entering this Agreement, ASLAN shall be granted ASLAN's Commercialization Rights.

In exercising ASLAN's Commercialization Rights ASLAN shall make Commercially Reasonable Efforts:

a) to commercialize the Product itself;

b) to find Sublicensees interested in obtaining all or any of ASLAN's Commercialization Rights and execute the corresponding agreements with them in consistency with the terms and conditions of this Agreement.

ASLAN shall, and shall cause its Sublicensees, to: (i) launch each Product within a reasonable time period after obtaining regulatory approval, on a country-by-country basis, (ii) use Commercially Reasonable Efforts in the promotion and marketing of the Products. In addition, ASLAN shall provide ALMIRALL with the commercial plan for the Products through the JSC, on a Product-by-Product basis and on a country-by-country basis.

8.2 Payments to ALMIRALL.

8.2.1 Milestone Payments. Upon achieving certain milestones, ASLAN will make milestone payments to ALMIRALL (not reimbursable or refundable). The amount of each milestone payment is the equivalent in Euros to the amounts detailed below in US Dollars (conversion into Euros to be made by applying the exchange rate published by The Wall Street Journal -Europe Edition- for the Business Day corresponding to the date of invoicing the corresponding amount):

| | | |
|---|---|---|
| (a) | […***…]: | USD$[…***…] |
| (b) | […***…]: | USD$[…***…] |
| (c) | […***…]: | USD$[…***…] |
| (d) | […***…]: | USD$[…***…] |

8.2.2 Royalties. Royalties shall be paid quarterly by ASLAN to ALMIRALL in accordance with this Section 8 on Net Sales of the Product for any indication, as follows:

(a) For all Net Sales up to the equivalent of US$[…***…] in aggregate worldwide during any particular calendar year, ASLAN will pay to ALMIRALL a royalty of […***…] on actual Net Sales during such year;

(b) If Net Sales exceed the equivalent of US$[…***…] in aggregate worldwide during any particular calendar year, ASLAN will thereafter pay to ALMIRALL a royalty of […***…] on actual Net Sales exceeding the mentioned amount of US$[…***…] during such year (it being understood that […***…]% royalty shall be payable for amounts up to US$[…***…] according to section (a) above).

8.2.3 Sublicensinq Payments to ALMIRALL. The Parties agree that in the event ASLAN sub-licenses ASLAN's Commercialization Rights to a Sublicensee to carry out any of the activities in 2.1(i) to (iii) of this Agreement in relation to a Product, ASLAN shall pay ALMIRALL an amount equivalent to […***…] of any Sublicense Income received by ASLAN from any and all of its Sublicensees.

8.3 Reports. Within […***…] of the end of each Quarterly Period, ASLAN shall provide to ALMIRALL a Net Sales Report in relation to that Quarterly Period setting out:

(a) the total Net Sales in respect of that Quarterly Period;

(b) the period for which the Net Sales were calculated;

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(c) the number of Products sold or supplied during that period;

(d) the price of each Product supplied or used during that period;

(e) the basis on which the amount of Net Sales was calculated;

(f) the amount of any withholding or other income taxes deductible or due to be deducted from the amount of Net Sales due and payable;

(g) any other particulars ALMIRALL may reasonably require.

Calculation of Net Sales will be made after converting the corresponding local currency into US Dollars applying the exchange rate index published by The Wall Street Journal (Europe Edition) for the last Business Day in each of the quarter covered by the Net Sales Report.

Also, in the Net Sales Report, ASLAN shall detail any Sublicense Income received during the corresponding Quarterly Period.

8.4 Invoicing. ALMIRALL shall invoice ASLAN for Royalties due according to section 8.2.2 (based on the amount set out in the Net Sales Report). Also, ALMIRALL shall invoice ASLAN for any amounts due according to section 8.2.3, if any (based on Sublicense Income detailed in the Net Sales Report). Such invoice shall be sent to the address set out in clause 15.7 of this Agreement.

8.5 Payments. ASLAN shall pay such invoice within […***…] of the date of receipt of the invoice in Euros via wire transfer to such account as ALMIRALL may from time to time notify ALSAN in writing. For calculation of the amount to be invoiced by ALMIRALL in Euros, the figure of Net Sales and Sublicense Income in USD shall be converted into Euros by applying the exchange rate index published by The Wall Street Journal (Europe Edition) for the last Business Day in each of the quarter covered by the Net Sales Report.

8.6 Reconciliation/adjustment. In the event of any difference between amounts actually due in concept of royalty and amounts paid by ASLAN in view of calculation of Net Sales as stated quarterly in the Net Sales Report, the corresponding reconciliation and payment shall be made not later than March 30th of each year, with respect to the previous calendar year.

8.7 Records and Audits. ASLAN shall keep, full, true and accurate books of account containing all particulars that may be necessary for the purpose of showing commercialization revenues (Net Sales, Sublicense Income) and demonstrating their calculation. ALMIRALL shall have the right, directly or through any Third Party, upon no less than […***…] advance notice and at such reasonable times and intervals and to such reasonable extent as ALMIRALL shall request, not more than […***…] during any year, to have the books and records of ASLAN to the extent related to ASLAN's rights or obligations under this Agreement, for the preceding […***…], audited by an independent internationally recognized accounting firm of its choosing under appropriate confidentiality provisions, for the sole purpose of verifying the accuracy of all financial, accounting and numerical information and calculations provided under this Agreement.

The results of any such audit shall be delivered in writing to each Party and shall be final and binding upon the Parties, which shall be required to undertake any necessary corrective action, unless such audit report is disputed within […***…] of receipt. Unless otherwise mutually agreed by the Parties, any disputes regarding the results of any such audit shall be subject to the dispute resolution procedure set forth in Section 15.11. If the audit shows that ASLAN has underpaid ALMIRALL an amount due under this Agreement by a factor of more than […***…]%, ASLAN shall pay ALMIRALL such underpaid amount jointly with the costs of such audit, plus interest on the amount underpaid at the European Interbank Offered Rate (EURIBOR) interest rate, plus […***…] percentage points, for the period of any such underpayment. ASLAN shall pay such amount to ALMIRALL within […***…] after the date of the corresponding invoice issued by ALMIRALL for such payment purpose. If the audit shows that ASLAN has overpaid ALMIRALL by a factor of more than […***…]%, ALMIRALL shall pay ASLAN such overpaid amount jointly with the costs of such audit.

8.8 Taxes. Any withholding or other taxes that either Party or its Affiliates are required by Law to withhold or pay on behalf of the other Party, with respect to any payments to it hereunder, shall be deducted from such payments and paid contemporaneously with the remittance to the other Party; provided, however, that the withholding Party shall furnish the other Party with proper evidence of the taxes so paid. Each Party shall furnish the other Party with appropriate documents to secure application of the most favorable rate of withholding tax under applicable Law.

Should new tax regulations be implemented in any country of the Territory that may negatively affect any Party's interests in transactions made under this Agreement, both Parties shall promptly co-operate in good faith to minimise the impact of such regulations and to implement an equitable satisfactory solution.

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8.9 Interest on late payment. Interest on late payment shall be calculated at the average 12-month European Interbank Offered Rate (EURIBOR) for the Euro as reported from time to time by the European Central Bank, effective for the first date on which payment was due and calculated, plus […***…] percentage points, for the period such payment is overdue.

## SECTION 9
## INTELLECTUAL PROPERTY

9.1 Ownership of pre-existing Information. The Parties acknowledge and agree that all right, title and interest to the ALMIRALL Pre-existing Know How and the ALMIRALL Patents belong exclusively to ALMIRALL; and all right, title and interest to ASLAN Pre-existing Know How belong exclusively to ASLAN.

9.2 Product Development Information. The Parties agree that […***…] all the Product Development Information. […***…] the Product Development Information:

(a) […***…] ASLAN shall be entitled to use such Product Development Information and the related ALMIRALL Pre-existing Know How and the ALMIRALL Patents for the purpose of fulfilling its rights and obligations under this Agreement (including but not limited, to grant to Sublicensees any right over ASLAN's Commercialization Rights).

(b) ALMIRALL will only be entitled to use Product Development Information, free of charge, for its internal programs for topical use and/or in the dermatology field. This internal use, however, shall not prevent the ALMIRALL's right to commercialize the results of such internal programs for topical use and/or in the dermatology field in accordance with the pharmaceutical standard business practices.

The Parties agree that if in accordance with the Law applicable […***…] the Product Development Information […***…], then […***…] the Product Development Information without limitation, as well as […***…] and […***…] required for effecting the obligations and purposes of this Agreement.

9.3 ASLAN Developed Know-How. ASLAN shall own all ASLAN Developed Know-How. To the extent it is necessary to continue with the development of the Compound or of any other product containing the Compound or for its manufacture, use or commercialization, ASLAN shall grant to ALMIRALL a non-exclusive, perpetual, royalty free and worldwide license to use ASLAN Developed Know How, for topical use and/or in the dermatology field only. This internal use, however, shall not prevent the ALMIRALL right to commercialize the results of such internal programs for topical use and/or in the dermatology field in accordance with the pharmaceutical standard business practices.

9.4 Disclosure. During the Term ASLAN shall disclose via the JSC to ALMIRALL the Product Development Information and ASLAN Developed Know-How.

9.5 Intellectual Property Rights prosecution and maintenance. ALMIRALL shall prepare, file, prosecute and maintain the ALMIRALL IP at its own expense. In addition, ALMIRALL shall control the prosecution and maintenance and shall bear the costs of any such activities undertaken by itself or its agents with respect to the ALMIRALL IP, Upon ALMIRALL's request ASLAN shall fully cooperate and assist in all such activities at ALMIRALL's expense but at a fair and reasonable price for such activities, including by promptly providing ALMIRALL with pertinent files, correspondence, records, information and other documents relating thereto in its possession or control if additional to those supplied on a regular basis through the JSC. ALMIRALL shall keep ASLAN regularly informed, upon ASLAN request, about the status of the ALMIRALL Patents. If in addition, ASLAN (at its own expense) chooses to make representations or suggestions to ALMIRALL about matters pertaining to the prosecution of ALMIRALL IP, ALMIRALL shall not unreasonably reject such representations or suggestions.

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9.6 Enforcement. In the event that ASLAN or ALMIRALL becomes aware of any actual, apparent or threatened infringement of the ALMIRALL IP (the "Infringement"), ASLAN or ALMIRALL, as the case may be, shall promptly notify the other Party in writing and shall provide the other Party with all available evidence supporting such known or suspected Infringement. […***…] shall have the first right to bring and direct any legal or other action against any Third Party, including any settlement negotiation or proceeding.

Should […***…] not commence a particular legal or any other action against the Third Party within […***…] (or such shorter period as reasonably required to prevent the Infringement), […***…] upon notification in writing to […***…], shall be entitled, if allowed by Law, to bring such Infringement action provided that, […***…].

The Party conducting such legal action shall have full control over such action and shall assume all the associated cost, as well as be entitled to all damages or proceeds recovered. The Party conducting the legal action against the alleged infringer shall keep the other Party reasonably informed as to important developments of such action, and the other Party shall if requested, provide reasonable assistance and cooperation in any such action or litigation at the other's expense, and shall not enter into any settlement, consent or other voluntary final disposition of any action against infringers without the other party's prior written consent not to be unreasonably withheld or delayed.

9.7 Third Party's claims. In the event of the institution of any suit by a Third Party against ASLAN and/or ALMIRALL for intellectual property, know how or proprietary information's infringement, the Party sued shall promptly notify the other Party in writing. Each Party shall have the right (but not the obligation) to defend any suit brought against it at its own expense, but shall, at all times, take into consideration the views and technical considerations of the other Party. ASLAN and ALMIRALL shall provide reasonable assistance and cooperation to each other in any such litigation at the other's request and at the other's expense. Neither party shall enter into any settlement, consent or other voluntary final disposition of any action involving alleged infringement without the other party's prior written consent, not to be unreasonably withheld or delayed.

9.8 Employee's obligation. Prior to beginning the work under this Agreement related to the manufacture of the Product or the Development, each employee, agent or independent contractor of ASLAN who performs services in connection with or under this Agreement shall sign a non-disclosure and invention assignment agreement pursuant to which such person agrees to comply with the obligations of ASLAN in this Section 9 and Section 12, It is understood and agreed that such non-disclosure and invention assignment agreement need not reference or be specific to this Agreement.

## SECTION 10
## **REPRESENTATIONS AND WARRANTIES**

10.1 Due organisation, valid existence and due authorisation. Each Party hereto represents and warrants to the other Party as follows:

(i) it is duly organized and validly existing under the Laws of its place of incorporation;

(ii) it has full corporate power and authority and has taken all corporate action necessary to enter into and perform this Agreement;

(iii) the execution and performance by it of its obligations hereunder shall not constitute a breach of, or conflict with, its organizational documents nor any other material agreement or arrangement, whether written or oral, by which it is bound;

(iv) no representation or warranty made in this Agreement contains or shall contain any untrue statement of a material fact or omits or shall omit to state a material fact necessary in order to make the statements contained herein or therein not false or misleading;

(v) this Agreement is a legal, valid and binding obligation, enforceable in accordance with the terms and conditions hereof (subject to applicable Laws of bankruptcy, insolvency, reorganization, moratorium or similar regulations affecting the enforcement of creditor's rights).

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10.2 Additional representations and warranties of ASLAN. ASLAN hereby represents and warrants to ALMIRALL that as of the Effective Date:

(i) ASLAN is not subject to any agreement with a Third Party that includes a royalty or similar payment obligation to, or other restriction or limitation in favour of such Third Party (including, for this purpose, to current officers, directors, employees, consultants or personnel of ASLAN or any predecessor) which will have an impact on ASLAN's rights to practice ASLAN Pre-existing Know How under this Agreement;

(ii) ASLAN is neither involved, in any development or the rendering of any other service to a Third Party which has any interests in any Competing Products at the Effective Date.

10.3 Additional representations and warranties of ALMIRALL. ALMIRALL hereby represents and warrants to ASLAN that as of the Effective Date:

(i) ALMIRALL is the sole owner of the ALMIRALL Pre-existing Know How and of the ALMIRALL Patents, with the right to grant ASLAN the License free and clear of any liens or encumbrances which would prevent the grant of the License;

(ii) so far ALMIRALL is aware, there are no actual or threatened proceedings relating to infringement of Third Party intellectual property rights by the use of the ALMIRALL Pre-existing Know How and the ALMIRALL Patents and ALMIRALL further represents and warrants that the ALMIRALL Pre-existing Know How and the ALMIRALL Patents are not the subject of any actual or threatened challenge or revocation proceedings. However, ALMIRALL discloses hereby that some of the ALMIRALL Patents are still under the process to be granted;

(iii) so far ALMIRALL is aware, ALMIRALL has the right to grant to ASLAN the License granted under this Agreement;

(iv) so far ALMIRALL is aware, none of the acts to be undertaken by ALMIRALL pursuant to this Agreement will infringe the rights of Third Parties.

Save as expressly stated in items (i), (ii), (iii) and (iv), no representation, condition or warranty whatsoever is made or given by or on behalf ALMIRALL. All conditions and warranties whether arising by operation of law or otherwise are hereby expressly excluded including any conditions and warranties to the effect that any of the ALMIRALL Patents are valid and enforceable.

10.4 Compliance with Law. Each Party covenants to the other that it will comply with all applicable Laws as amended, in carrying out their obligations pursuant to this Agreement. In particular ASLAN covenants that so far as it is aware, ASLAN and any ASLAN's subcontractor currently holds or at the relevant time will hold any and all consent approvals, orders or authorizations necessary to comply with its obligations under this Agreement. In addition, ASLAN covenants that so far it is aware, neither the Product Development Information nor the ASLAN Developed Know How will infringe any Third Party's right including but not limited to any Third Party's intellectual property, ownership, know how or contractual right. Therefore, ASLAN covenants that so far it is aware, the development of the Product and its subsequent commercialization will not infringe any such Third Party's rights and will not entail any unfair competition act.

10.5 Disclaimers. Without prejudice to the ALMIRALL's representation and warranties set out in Sections 10.1 and 10.3, ALMIRALL covenants that it provides the ALMIRALL's Information and the Compound to be delivered by ALMIRALL to ASLAN in accordance with Section 4.2 above, as is", that is, without any warranty of any kind, express or implied, including, without limitation, warranty of their accuracy or completeness, of merchantability, fitness for a particular purpose (including but not limited to manufacture the Product or conduct the Development), commercial value, and without any warranty of any kind, express or implied, of the absence of infringement of Third Party's rights, inexistence of adverse effects, of the safety or other quality, efficiency, stability, characteristics or usefulness of, or merchantability, or fitness for a particular purpose of any Product. Without prejudice to ASLAN's representation and warranties set out in Sections 10.1 and 10.2, ASLAN covenants that ASLAN provides ASLAN Pre-existing Know How "as is", that is, without any warranty of any kind, express or implied, including, without limitation, warranty of its accuracy or completeness, of merchantability, fitness for a particular purpose (including but not limited to manufacture the Product or conduct the Development), commercial value, and without any warranty of any kind, express or implied, of the inexistence of adverse effects, of the safety or other quality, efficiency, stability, characteristics or usefulness of, or merchantability, or fitness for a particular purpose of any Product.

10.6 Continuing Representations. The Parties agree that Sections 10.1 to 10.5 shall survive after the Term of the Agreement.

## SECTION 11
## LIABILITY

11.1 Indemnification by ASLAN. ASLAN assumes responsibility and will defend, indemnify and hold harmless ALMIRALL and its Affiliates and the directors, officers, and employees of any of them (the "**Indemnified Party**"), from and against any and all Claims of any kind or nature whatsoever (including but not limited to Claims arising from Third Parties), including Claims for death, personal injuries or property damages, suffered or incurred by the Indemnified Party at any time during the Term or thereafter (in each case including reasonable out-of-pocket expenses, reasonable attorneys' fees, court costs and expert witnesses' fees, and other reasonable expenses) (a "**Liability**") that result from, or arise out of:

(i) material breach by ASLAN of any representation, warranty, covenant or agreement contained in this Agreement;

(ii) ASLAN's, or any ASLAN contractors' failure to comply with any applicable Law or with any obligation under the Agreement,

(iii) the manufacture, Development, use, handling, storage, sale or other disposition of the Product or of the Compound by ASLAN (including also with respect to the Compound delivered by ALMIRALL under the Earlier Development and License Agreement), or by any ASLAN's contractor, including damages derived from defects in the Product, from any of ASLAN activities under Sections 4 and 5 or from the ASLAN's direct (or by Sublicensees) development and commercialization of the Product. except in each such case to the extent that any such Liability arises from ALMIRALL's negligence or intentional malfeasance, ALMIRALL's breach of this Agreement, or ALMIRALL's violation of any applicable Law.

ASLAN and any ASLAN contractors shall obtain and maintain in force during the Term and for all period in which a Third Party will be entitled to make a Claim against ALMIRALL, a civil liability insurance policy with an international reputable insurance company sufficient to cover ASLAN's potential liabilities to ALMIRALL and any ASLAN's contractor. Upon ALMIRALL's request, ASLAN shall provide a copy of the mentioned insurance policy and of any evidence of its renewal.

11.2 Indemnification by ALMIRALL. ALMIRALL assumes responsibility and will defend, indemnify and hold harmless ASLAN and its Affiliates and the directors, officers, and employees of any of them (the "Indemnified Party"), from and against any and all Third Party's Claims of any kind or nature whatsoever, including reasonable out-of-pocket expenses reasonable attorneys' fees, court costs and expert witnesses' fees and other reasonable expenses (a "Liability") that result from, or arise out of:

(i) a material breach by ALMIRALL of any representation, warranty, covenant or agreement contained in this Agreement;

(ii) ALMIRALL's failure to comply with any applicable Law or with any obligation under the Agreement, or

(iii) ALMIRALL negligence or wilful misconduct, except in each such case to the extent that any such Liability arises from ASLAN's breach of any warranty contained in this Agreement or any other matter listed in Section 11.1 above.

11.3 Indemnity Procedure. The obligations of ASLAN and ALMIRALL under this Section 11 shall be subject to the following terms and conditions:

(i) The Party claiming a right to indemnification shall, within […***…] of receipt of any Claim give written notice to the indemnifying Party, of any such Claim received from a Third Party which is governed by the indemnity obligations of this Agreement, provided, however, that failure to timely give the notice provided in this Section shall not be a defense to the liability of the Indemnified Party for such Claim, but the Indemnified Party may recover actual damages arising from the Indemnified Party's failure to give such timely notice.

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(ii) The indemnifying Party shall conduct, at its own sole cost and expense, the defense of any and all such Claims by a Third Party.

(iii) Neither Party shall settle or admit Liability with respect to any such Claims which could result in Liability to the other Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

(iv) If the indemnifying Party does not take the steps necessary against any such Claims by a Third Party, the Party claiming indemnification may defend against or settle such Claims in such manner as it may deem appropriate provided that that Party may not settle such Claims without the prior written consent of the indemnifying Party which consent shall not be unreasonably withheld or delayed; however, the defense and/or settlement under this Section 11 shall not act as a waiver of rights to indemnification under this Agreement, or any other rights or remedies of a Party claiming indemnification and shall not excuse the indemnifying Party from its obligations hereunder and all reasonable costs and expenses incurred by the Party claiming indemnification shall be subject to indemnity by the indemnifying Party; and,

(v) Each Party will offer reasonable assistance to the other Party in defending or settling the Claim, including by making available relevant documents and witnesses.

## SECTION 12
## CONFIDENTIALITY AND NON-USE OBLIGATIONS

12.1 ASLAN acknowledges that all the ALMIRALL Confidential Information is confidential and proprietary to ALMIRALL and agrees to (i) maintain such Confidential Information in confidence during the Term of this Agreement and for a period of […***…] thereafter and (ii) use and appropriately disclose such Confidential Information solely for the purpose of performing its obligations hereunder or to exercise the rights granted to it hereunder. ASLAN covenants that it shall not disclose any such Confidential Information except to its employees, agents or any other Person under its authorization; provided, that such employees, agents or Persons under its authorization who have access to such Confidential Information have been advised by ASLAN of ASLAN's obligations under this Agreement, and are contractually (in writing) or legally bound by confidentiality and non-use obligations not less stringent than those set forth in this Agreement prior to any such disclosure. ASLAN shall be responsible to ALMIRALL for the compliance of such Persons with this Agreement. For its part, ALMIRALL agrees to maintain in confidence and not to use, during the Term of this Agreement and for a period of […***…] thereafter, ASLAN's Confidential Information, provided that ALMIRALL retains the right to use and disclose any such ASLAN Confidential Information to a Thirty Party strictly on a need to know basis and directly in connection with the conduct of further development of products for topical use and/or for dermatology diseases and with the exercise any of ALMIRALL's commercialization rights upon exercising the first negotiation right described in Section 2.5.

12.2 The confidentiality obligations and use restrictions set forth in Section 12.1 shall not apply to Confidential Information which:

(i) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party;

(ii) is received from a Third Party on an unrestricted basis, where such Third Party is authorized to disclose the information;

(iii) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the receiving Party in breach of this Agreement; or

(iv) is required to be disclosed to a competent authority in accordance with a mandatory applicable Laws, in which case the disclosing Party shall promptly notify the other Party of such disclosure requirement to enable the other Party to seek a protective order or other form of confidential treatment for the information, and shall thereafter disclose only that portion of the information required to be disclosed in order to comply.

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12.3 ASLAN shall not use any ALMIRALL's Confidential Information or any Confidential Information which is generated or discussed in the framework of the JSC, for any purpose other than in connection with the compliance of ASLAN's obligations under this Agreement.

12.4 Injunctive relief and additional remedies. Each Party hereby recognizes, acknowledges and agrees that in the event of any breach of this confidentiality obligation by the other Party (or by any Third Party contracted by the other Party), including without limitation, the actual or threatened disclosure or unauthorized use of the Confidential Information without the prior express written consent of the other Party, the other Party will suffer serious damages and injuries for which financial compensation may not be an adequate remedy at law. Accordingly each Party agrees that the other Party shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance and any other available remedies, without prejudice to any other rights and remedies that that other Party may have for a breach of this Agreement. Such rights and remedies include, among others, the right to receive a compensation for any and all direct or indirect costs and damages (including but not limited, reasonable attorney cost and investigation cost) the Party may suffer as a consequence of such infringements.

12.5 Publication. ASLAN and ALMIRALL agree not to issue any press releases or public announcements concerning this Agreement (and to ensure that their respective Affiliates do not do so) without the prior written consent of the other Party, upon a […***…] period for a prior review by each Party, to the form, timing and content of any such release of announcement, except as required by a governmental authority and applicable Law, including disclosure required by any securities exchange; provided that following agreement upon the content of such disclosure, subsequent releases which do not materially depart from such agreed content may be made without prior written consent from the other Party. Except as required by Law, neither Party (or their respective Affiliates) shall disclose to any Third Party, under any circumstances, any Information of the other Party that have not been previously disclosed publicly pursuant to this Section 12 without the prior written consent of the other Party. Notwithstanding the foregoing, ASLAN shall be entitled to make announcements on the progress of the Development, upon giving ALMIRALL […***…] prior written notice, except when such announcements are related to the safety of the Product in which case ALMIRALL's prior written consent is needed. In situations of extreme urgency where immediate disclosure is required by a governmental authority and applicable Law, ASLAN shall inform ALMIRALL with sufficient time to permit the Parties to negotiate the content and form of the announcement. In the event the Parties are unable to reach an agreement in the timeframe permitted by the governmental authority and applicable law and to the extent ASLAN is obliged to make such announcement, ASLAN will be entitled to comply with the announcements requirement but shall omit any reference to ALMIRALL and, if possible, to the Compound.

## SECTION 13
## **TERM**

This Agreement shall come into effect on the Effective Date and unless terminated before as hereinafter provided, shall remain in full force and effect until termination on a Product-by-Product basis, and/or country-by-country basis (the "Term").

## SECTION 14
## **EARLY TERMINATION**

14.1 Termination by either Party. This Agreement may be terminated before the Term by either Party, upon written notice to this effect to the other Party:

(i) Without prejudice to other situations expressly governed in this Agreement, and to any other rights and remedies, in the event of the other Party failing to comply with any of its obligations under this Agreement and not remedying the violation or breach within […***…], after having being notified by the other Party.

(ii) Immediately, at any time, for significant safety issues which make the continue Development or commercialization of the Product unlawful or in violation of standard industry practices.

(iii) To the extent permitted by the applicable Law, immediately if the other Party becomes insolvent, or makes or seeks to make or arrange an assignment for the benefit of

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creditors, or if proceedings in voluntary or involuntary bankruptcy shall be initiated by, on behalf of or against such Party (and, in the case of any such involuntary proceeding, not dismissed within […***…]), or if a receiver or trustee of such Party's property shall be appointed and not discharged within […***…].

(iv) If Development outcomes or market conditions mean that continuation of this Agreement is no longer commercially viable as proven by ASLAN based on supporting objective data reasonably acceptable to the Parties after good faith discussion.

14.2 Termination by ALMIRALL. In addition to the reasons set out in Section 14.1 above, this Agreement may be terminated early by ALMIRALL upon written notice to this effect to ASLAN, without prejudice to any other rights and remedies:

(i) If the Development has not started within […***…] after the Effective Date.

(ii) If ASLAN does not provide evidence of having used Commercially Reasonable Efforts according to Section 3.5 and 8.1 of this Agreement, upon […***…] of being requested by ALMIRALL to do so.

(iii) In the event that ASLAN is subject to a change of control (which for this purpose means a change in the power to direct the adoption and/or execution of the policies, management or operations of ASLAN by any means whatsoever, directly or indirectly, whether through the ownership of voting securities, by shareholder agreement or contract relating to voting rights or corporate governance, by change in applicable Laws, governmental action or otherwise) which could reasonably be expected to lead to an impairment to ALMIRALL. In order for ALMIRALL to assess the likelihood of such an impairment, ASLAN shall provide to ALMIRALL as soon as possible details of the identity of the party who will have power to control ASLAN. For the purposes of this Section 14,2(v), an "impairment" will only be deemed to occur where ALMIRALL can show that control of ASLAN by such party will mean (i) an ALMIRALL Competitor controls ASLAN; (ii) the commercial value of the Product may be damaged; (iii) the commercial value of the ALMIRALL's topical and/or dermatology products containing the Compound may be adversely affected; (iv) ALMIRALL's reputation or any of the ALMIRALL's products or compounds' reputation in the market place may be damaged; and/or (v) the party lacks credible financial substance and material and human resources in order to be able to maximize commercial sales of the Product. ALMIRALL shall have […***…] from submission of the details in question, to indicate if it has grounds for terminating under this clause, and if so give reasonable details of the grounds for believing the change of control will give rise to an impairment. ASLAN shall have […***…] from the date ALMIRALL supplies such grounds, to withdraw from its change of control transaction and inform ALMIRALL of such withdrawal, failing which ALMIRALL may proceed to terminate under this Section 14.2 (v) but must do so within […***…].

(iv) Immediately in the case that ASLAN or any of its Affiliates challenges or assists a Third Party to challenge the validity of any ALMIRALL Patent or ALMIRALL IP.

(v) In case of general withdraw or recall of the Product from any country (in this case, termination may be on a Product-by-Product basis and/or on a country-by-country basis).

14.3 Provisions upon expiration or termination. Upon expiration of the Term or early termination of this Agreement as provided above, ASLAN undertakes:

(i) to return to ALMIRALL within […***…] all ALMIRALL's Information which would concern the Compound and the Product, (which shall include but it is not limited to, all Information related to the ALMIRALL IP);

(ii) to cease with the Development and with any negotiation or discussions entered with Third Parties with the purpose of granting ASLAN's Commercialization Rights;

(iii) to cease with any manufacturing activity and to destroy *(i)* any amount of Product already manufactured or in the process of manufacturing, *(ii)* any piece of Information related to the manufacturing of the Product and *(iii)* any raw material (including but not limited to the Compound) used for the manufacturing of the Product;

(iv) […***…] and, in particular, […***…]; and

(v) […***…] within […***…] from the date of request, […***…]. In the event […***…], within […***…] from the date of termination of this Agreement, […***…]. Additionally, unless otherwise agreed by the Parties on a case by case basis, the termination of this Agreement shall […***…].

14.4 Survival of obligations. Upon termination of this Agreement for any reason (i) neither ASLAN nor ALMIRALL shall be relieved of any obligations incurred by such Party prior to such termination, and (ii) the obligations of the Parties under Sections 11 and 12 and all other provisions which by their nature are intended to survive any such termination, shall survive and continue to be enforceable. Upon termination of this Agreement for any reason, each Party shall, and shall ensure that any Third Party with whom Confidential information of the other has legitimately been shared pursuant to this Agreement, promptly returns to the other or destroys (subject to written certification of the latter), all written Confidential Information, including copies, and all internal reports and notes thereof.

## SECTION 15
## **GENERAL PROVISIONS**

15.1 Assignment and subcontracting. Except in connection with an internal reorganisation or amalgamation among ASLAN and its Affiliates (provided that such corporate reorganization or amalgamation will not entail a change of control —as change of control is defined in Section 14,2 above- in ASLAN), or as otherwise expressly provided herein, neither this Agreement nor any of the rights or obligations hereunder may be assigned by ASLAN without the prior written consent of ALMIRALL (and "non-assignable" as used in this Agreement shall be construed accordingly). Any attempted assignment in violation hereof shall be void. ALMIRALL may at any time assign this Agreement in whole or part, or designate, for the benefit or charge of any of the rights or obligations resulting from this Agreement, to any Third Party (including any of its Affiliates). This Agreement shall be binding upon and inure to the benefit of the Parties and their respective corporate successors.

Without prejudice to the above, ASLAN will be entitled to subcontract some of its obligations under the Agreement. ASLAN shall secure that any such subcontractors comply with any internationally accepted standards of good practice (such as, without limitation, GLP, GMP, and GCP) as relevant and abide to applicable national and international law. ASLAN shall inform ALMIRALL from time to time or promptly upon the ALMIRALL's request (not more […***…] per calendar year) of the activities that ASLAN has subcontracted or is going to subcontract and of the Third Party's subcontractors. ASLAN shall give due consideration to any reasonable comments and suggestions that ALMIRALL may give to it upon receiving such information.

ASLAN will be joint and severally liable with any Third Party subcontracted by it for any and all activities performed by any such Third Parties subcontractors.

15.2 Independent status of the Parties. The Parties to this Agreement are independent contractors and agree that the relationship between the Parties shall not constitute a partnership, joint venture or agency. No Party shall have the authority to make any statement, representation or commitment of any kind, or to take any action, which shall be binding on the other Party, without the prior written consent of the other Party.

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15.3 Waiver. No delay or omission by a Party in exercising or availing itself of any right, power or privilege hereunder shall preclude the later exercise of any such right, power or privilege by such Party. No waiver shall be effective unless made in writing with specific reference to the relevant provision(s) of this Agreement and signed by a duly authorized representative of the Party granting the waiver. Waiver by a Party of a breach hereunder by the other Party shall not be construed as a waiver of any succeeding breach of the same or any other provision.

15.4 Non-solicitation. The Parties agree that during the Development period and […***…] thereafter, neither Party shall, directly or indirectly, solicit for employment any employee or former employee of the other Party or any of its Affiliates, with whom it has come into contact or interacted for the purposes of the negotiation or performance of this Agreement.

15.5 Force majeure. Neither Party shall be deemed to be in breach of this Agreement or otherwise liable to the other by reasons of any delay in performance or non-performance of any of its obligations under this Agreement, to the extent that such delay or non-performance is due to any event of force majeure, including without limitation any wars, insurrections, strikes, acts of God, Governmental actions or controls or any other contingency beyond its control. The Party whose performance of obligations has been delayed by force majeure shall use its best efforts to overcome the effect of the force majeure event as soon as possible.

The Party affected by the force majeure shall notify immediately to the other Party the existence of the force majeure. The other Party shall have no right to demand indemnity or damages as a result of the force majeure event. If the event of force majeure preventing performance continues for more than […***…] from the date of notice given pursuant thereto and such suspension of performance would otherwise constitute a material breach under this Agreement, the non-force majeure Party may terminate this Agreement, by giving written notice of termination to the other without liability to any of the Parties, except the obligation to make any payments due up to such date under this Agreement. Termination under this Section 15.6 shall be considered as termination under Section 14.1 provided that no Party shall be entitled to damages or any other legal remedy in connection therewith.

15.6 Entire Agreement. This Agreement embodies all of the understandings and obligations between the Parties with respect to the subject matter hereof, and supersedes, replaces and cancels all prior agreements or understandings between the Parties with respect to the same (including but not limited to (i) the Earlier Development and License Agreement and (ii) the Confidentiality Agreement referred to in the Whereas IV of this Agreement).

For the avoidance of doubt, the Parties agree that the Earlier Development and License Agreement is, with effect from the Effective Date, hereby terminated and replaced by this Agreement, subject to the first sentence of Section 14.5 of the Earlier Development and License Agreement (that is: "*Upon termination of the Earlier Development and License Agreement for any reason (i) neither ASLAN nor ALMIRALL shall be relieved of any obligations incurred by such Party prior to such termination, and (ii) the obligations of the Parties under Sections 11 and 12 and all other provisions which by their nature are intended to survive any such termination, shall survive and continue to be enforceable*"). The Parties hereby waive their rights on termination under Section 14.4 ("*Provisions upon expiration or termination') and the last sentence of Section 14.5 of the Earlier Development and License Agreement (that is: "Upon termination of the Earlier Development and License Agreement for any reason, each Party shall, and shall ensure that any Third Party with whom Confidential information of the other has legitimately been shared pursuant to the Earlier Development and License Agreement, promptly returns to the other or destroys (subject to written certification of the latter), all written Confidential Information, including copies, and all internal reports and notes thereof*").

No amendments to this Agreement shall be valid unless executed in writing duly authorized directors(s) of both Parties.

15.7 Notices. All notices, instructions and other communications hereunder or in connection herewith shall be in writing, shall be sent to the address of the relevant Party set forth below and shall be (a) delivered personally, (b) sent via a reputable international overnight courier service, or (c) sent by facsimile transmission with confirmation by overnight courier. Any such notice, instruction or communication shall be delivered in the case of (a) upon receipt, (b) upon signature of the receipt by the receiving Party and (c) when transmitted with electronic confirmation of receipt, if transmitted by facsimile (if such transmission is on a Business Day, or otherwise, on the next Business Day following such transmission). Either Party may change its address by giving notice to the other Party in the manner provided above. All notices shall be in English language. Additionally, all information, documents and reports which ASLAN is required to provide or send to ALMIRALL and/or the JSC under this Agreement, and which are not originally in English, shall be sent together with their applicable translation into English.

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(a) If to ASLAN:

ASLAN Pharmaceuticals Pte Ltd.
10A Bukit Pasoh Road
Singapore 089824
Attention: Head of Finance
Fax No.: +65 6225 2419

(b) If to ALMIRALL:

ALMIRALL, S.A.
Ronda de General Mitre, 151
08022 Barcelona
Spain
Fax number: + 34 93 291 3205
Attention: Corporate Legal Director

15.8 Severability. In the event any portion of this Agreement shall be held illegal, void or ineffective, the remaining portion hereof shall remain in full force and effect and shall not be affected. If any of the terms or provisions of this Agreement are in conflict with any applicable statute or rule of law, then such terms or provisions shall be deemed inoperative to the extent they may conflict therewith and shall be deemed to be modified to conform to such statute or rule of law. However, in case such invalidation or unenforceability injures the rights and interests of either Party, the Parties hereto shall renegotiate the corresponding provisions of this Agreement in good faith.

15.9 Third-Party beneficiaries. None of the provisions of this Agreement shall be for the benefit of or enforceable by any Third Party including, without limitation, any creditor of any Party hereto. No such Third Party shall obtain any right under any provision of this Agreement or shall by reason of any such provision make any claim in respect of any debt, liability or obligation (or otherwise) against any Party hereto.

15.10 Governing Law. This Agreement and any dispute arising from the performance or breach hereof shall be governed, construed and enforced in accordance with the laws of […***…], without regard or giving effect to the conflicts of law principles thereof. The Parties expressly exclude application of the United Nations Convention for the International Sale of Goods.

15.11 Dispute Resolution.

(a) Internal Resolution. Except as otherwise expressly provided herein, in the event of any controversy, claim or other dispute arising out of or relating to any provision of this Agreement or the interpretation, enforceability, performance, breach, termination or validity hereof (a "**Dispute**"), such Dispute shall be first referred to the Chief Executive Officer (CEO) of each Party or the Person that each of them may delegate (such delegate being a senior director or above), for resolution, prior to proceeding under the following provisions of Section 15.11. For the avoidance of doubt, this internal resolution proceeding shall not and cannot be used by any of the Parties as a way to modify the rights and obligations under the Agreement or as a way to modify the agreements already reached by the Parties as they has been reflected in the Agreement. Any Parties' resolution under this proceeding shall be resolved in accordance with the terms and conditions of the Agreement and the rights and obligations of the Parties as they are currently reflected in the Agreement. This internal resolution proceeding will be used as the last resort for the Parties to avoid to enter into a dispute to be resolved by the arbitration proceeding below. A Dispute shall be referred to such executives upon any Party providing the other Party with written notice that such Dispute exists, and such executives, or their designees, shall attempt to resolve such Dispute through good faith discussions, each Party acting reasonably. If the CEOs of each Party or their delegates are unable to reach an agreement on any such Dispute within […***…] of such other Party's receipt of the referred written notice:

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- For any Dispute relating to […***…] (except for any Dispute affecting any matter […***…], […***…] CEO (or his delegate) shall have the final decision making authority to the extent such […***…] CEO's decision […***…].
- For any Dispute on matters […***…], or that […***…], or […***…], or […***…], […***…] CEO (or his delegate) shall have the final decision making authority.

(b) Arbitration. Except as otherwise expressly provided in this Agreement, the Parties agree that any Dispute in any matter different to those matters listed in Section 15.11(a) must be finally resolved through a binding arbitration which the Parties agree to accept in lieu of litigation or other legally available remedies (except for injunctive relief where such relief is necessary to protect a Party from irreparable harm pending the outcome of the arbitration). Any such arbitration shall be settled in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce by three (3) arbitrators chosen in accordance with said Rules. The arbitration shall be conducted in English and will be held in […***…]. Judgment upon the award may be entered in any court having jurisdiction thereof.

15.12 Use of Name. None of the Parties is entitled to use the corporate or commercial name of the other Party, for any advertisement or promotional purposes without the prior written consent of the other Party.

15.13 Headings and captions. Headings and captions in this Agreement are for convenience of reference only and shall not be considered in construing this Agreement.

15.14 Awareness. In this Agreement when a Party's liability for a statement is limited by the extent of its 'awareness', this shall be construed to mean a level of awareness assuming reasonable enquiries have been made.

In witness whereof, the Parties have signed this Agreement in duplicate originals by their qualified representatives in the dates set forth.

| **ALMIRALL, S.A.** | **ASLAN PHARMACEUTICALS PTE. LTD.** |
|---|---|
| /s/ Thomas Eichholtz | /s/ Carl Firth |
| (signature) | (signature) |
| Thomas Eichholtz | Carl Firth |
| (name) | (name) |
| CSO | CEO |
| (title) | (title) |

J. Sobe
Proxy

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**SCHEDULE 1.6**

**ALMIRALL PATENTS**

Patents and patent applications in the Territory belonging to the patent families of the following international patent applications:

| Publication No | Filing Date |
|---|---|
| […***…] | […***…] |

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**SCHEDULE 1.21**

**DEVELOPMENT PLAN**

(attached)

[…***…]

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**SCHEDULE 3.1**

**LIST OF INFORMATION DISCLOSED BY ALMIRALL IN EARLIER AGREEMENT**

[…***…]

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**SCHEDULE 7.5**

**PHARMACOVIGILANCE AGREEMENT**

[to be attached when agreed according to Section 7.5, if applicable]

**Exhibit 10.7**

*****Text Omitted and Filed Separately with the Securities and Exchange Commission. Confidential Treatment Requested Under 17 C.F.R. Sections 200.80(b)(4) and 240.24b-2.**

DATED THIS 10th DAY OF OCTOBER 2016

Between

**NANYANG TECHNOLOGICAL UNIVERSITY**

And

**ASLAN PHARMACEUTICALS PTE LTD**

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# LICENSING AND RESEARCH COLLABORATION AGREEMENT

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**LICENSING AND RESEARCH COLLABORATION AGREEMENT**

**THIS AGREEMENT** is entered into on 10th day of October 2016 between:

(1) **NANYANG TECHNOLOGICAL UNIVERSITY**, located at 50 Nanyang Avenue, Singapore 639798, and acting through its School of Biological Sciences ("**NTU**");

And

(2) **ASLAN PHARMACEUTICALS PTE LTD**, a company incorporated in Singapore (UEN: 201007695N), having its address at UE Square (West Wing), 83 Clemenceau Avenue, #12-03, Singapore 239920 ("**Company**").

**WHEREAS:**

(A) The Company is interested in sponsoring a research project to be carried out by School of Biological Sciences on the terms and conditions of this Agreement.

**THEREFORE** the Parties hereby agree as follows:

**1. DEFINITIONS**

1.1. In this Agreement and in the Schedules to this Agreement, unless the context otherwise requires, the following expressions shall have the following meanings:

"**Affiliate**" - means any corporation, company or other entity which:

(i) is Controlled by the relevant Party;

(ii) Controls the relevant Party; or

(iii) is under common Control with the relevant Party.

For this purpose, "**Control**" means (a) at least fifty percent (50%) of the controlled entity's outstanding shares or ownership interest representing the right to make decisions for such entity are owned or controlled, directly or indirectly, by the controlling entity, and/or (b) the controlling entity possesses, directly or indirectly, the power to influence the decision-making process, the direction of management and the policies of the controlled entity.

"**Background IP**" - means any IP owned and/or controlled by a Party, or which such Party has the necessary rights to use for or in the Research Project, and which was conceived or reduced to practice either:

(a) prior to the commencement of the work performed pursuant to the Research Project, or

(b) outside the scope of the work performed pursuant to the Research Project;

and a non-exhaustive list of the Background IP intended to be disclosed by each Party in connection with the Research Project is listed in Schedule 1, part 5.

| | | |
|---|---|---|
| **"Business Day"** | - | means a day other than a Saturday, Sunday or a gazetted public holiday in Singapore. |
| "**Confidential Information**" | - | means any device, materials, samples, software programmes, documents, data, graphics, specifications, technical information, or any other information, collectively referred to as "**Information**", that is disclosed by either a Party or a Party's Affiliate or on their behalf ("**Discloser**") to the other Party ("**Recipient**") in connection with the Research Project and/or this Agreement, whether oral, written, visual or otherwise, or hard or electronic soft copy, other than as specified in clause 6.4. |
| "**Effective Date**" | - | means the date first written above. |
| "**Intellectual Property**" or "**IP**" | - | means Confidential Information, Know-how, patents, patentable inventions, patent applications, utility models, copyright, design rights, trademarks, rights in data, database rights, semiconductor layout rights, rights relating to computer software, and any other industrial or intellectual property rights, registrable, registered or otherwise. |
| "**IP Applications**" | - | means any patent application, division, continuation or continuation-in-part, and any patent issued thereon or reissue or extension thereof, and any other form of application for registration of copyrights, trademarks, designs and other IP rights relating to the relevant Project IP. |
| "**IP Expenses**" | - | means all actual and out-of-pocket costs and expenses (including legal and other professional fees, Goods and Services Tax, other applicable taxes, and stamp duties) in relation to the preparation, filing, prosecution and maintenance of the relevant IP Applications. |

| | | |
|---|---|---|
| "**IP Lead Party**" | - | means the Party appointed pursuant to Clause 7.4(a) of this Agreement to take the lead in the preparation, filing, prosecution and maintenance of the relevant IP Applications in accordance with the terms of this Agreement. |
| "**Know-how**" | - | means any methods, techniques, processes, discoveries, inventions, innovations, unpatentable processes, technical information, specifications, recipes, formulae, designs, plans, documentation, drawings, data and other technical information and identified in a tangible form. |
| "**Major Territory**" | - | means […***…]. |
| "**NTUitive**" | - | means Nanyang Technological University — NTUitive Pte Ltd (Company Registration No. 199502518G), a wholly-owned subsidiary company of NTU which manages and commercialises IP for NTU. |
| "**Parties**" | - | means NTU and the Company collectively, and a "**Party**" means any one of them. |
| "**Project IP**" | - | means any IP created in the course of or resulting from the Research Project that fall within the deliverables of the Research Project as set out in Schedule 1. |
| "**Research Project**" | - | means the research project titled "Generation of domain antibodies for therapeutic applications" to be carried out under this Agreement, which details are set out in Schedule 1, as may be amended from time to time in accordance with this Agreement. |
| "**Term**" | - | means the period of this Agreement as specified in Clause 3 of this Agreement. |

1.2. In this Agreement, except where the context indicates to the contrary:

a) "person" includes any individual, body corporate, joint venture, trust, agency or other body;

b) words importing the singular shall include the plural and vice versa and words denoting a given gender shall include each other gender;

c) headings are inserted for ease of reference only and shall not affect the interpretation of this Agreement;

d) references to clauses or sub-clauses shall have reference to clauses or sub-clauses of this Agreement; and

e) all schedules and attachments to this Agreement form part of this Agreement.

## 2. STATEMENT OF WORK

2.1. The Parties agree to collaborate on the Research Project and shall use reasonable endeavours to carry out in a diligent manner those parts of the Research Project allocated to it, in accordance with the details specified in Schedule 1. The Parties recognise that the Research Project is research in nature and hence completion within the period of performance or the achievement of the deliverables or milestones specified in Schedule 1 cannot be guaranteed.

2.2. The Parties are committed to maintaining the highest standards of research integrity and the responsible conduct of research, as defined in the Singapore Statement on Research Integrity (www.singaporestatement.org/statement.html). The Parties agree to cooperate in investigation(s) which result from any accusations of research misconduct and malpractice arising from the Research Project.

## 3. TERM OF AGREEMENT

3.1. This Agreement shall come into force on the Effective Date and shall continue for a period of one (1) year (the "**Term**") unless terminated earlier in accordance with the terms of this Agreement. Notwithstanding the foregoing, this Agreement may be extended by mutual written agreement of the Parties.

## 4. PRINCIPAL INVESTIGATOR & GOVERNANCE

4.1. The Research Project shall be supervised and coordinated by Professor […***…] of NTU (hereinafter referred to as the "**NTU Principal Investigator**" or "**NTU PI**"), and […***…] for the Company (hereinafter referred to as the "**Company Principal Investigator**" or "**Company PI**").

4.2. If, for any reason, the NTU PI or the Company PI is unable to continue to serve as the NTU PI or as the Company PI under the Research Project, and, after reasonable efforts have been used to find one, a successor acceptable to the Parties is not available, this Agreement may be terminated by any of the Parties upon at least […***…] notice, subject to the prior approval of the JDC, which approval shall not be unreasonably withheld, and the provisions of Clause 11 shall apply. Where the NTU PI is unable to continue to serve as the NTU PI for the Research Project, the Chair of the School of Biological Sciences, or his designate, shall replace the NTU PI on the JDC subject to this Clause 4.2.

4.3. The Company and NTU shall establish a joint development committee ("**Joint Development Committee**" or "**JDC**") to oversee and execute the plan for the Research Project ("**Project Plan**") the current version of which as at execution of this Agreement is set out in Schedule 1. The JDC will at all times include two (2) representatives from each of the Company and NTU, selected by such Party, and one representative from NTU shall be the NTU PI unless the Parties via the JDC agree otherwise, and one representative from ASLAN shall be the Company PI unless the Parties via the JDC agree otherwise. It is anticipated that membership of the JDC may change over the course of the Research Project as needed to ensure sufficient expertise for execution of the then-current Project Plan.

4.4. The JDC will meet regularly (at least […***…]), either in person or by tele/video conference, according to a mutually agreed schedule; and on an ad hoc basis, as necessary. Among matters the JDC will confer and decide on, are proposed changes to the Project Plan; for the avoidance of doubt any changes to the Project Plan are subject to JDC approval. Decisions of the JDC shall be made by unanimous vote, with each JDC member having one vote. In the event that the votes required to approve a decision cannot be reached, then the issue will be referred for resolution in accordance with Clause 16. The JDC shall prepare written minutes of each JDC meeting and a written record of all JDC decisions, whether made at a JDC meeting or otherwise and promptly circulate a copy to JDC members.

## 5. RESEARCH PROJECT FUNDING

5.1. The Parties shall provide the funding and/or contributions to the Research Project in accordance with Schedule 1.

## 6. CONFIDENTIAL INFORMATION

6.1. Each Recipient agrees to use the Discloser's Confidential Information only for the purposes of the Research Project and/or this Agreement, unless otherwise expressly agreed to in writing by the Discloser.

6.2. Each Recipient shall use the same degree of care regarding the Confidential Information as it uses in protecting and preserving its own confidential information of like kind to avoid disclosure or dissemination thereof, but in no event less than a reasonable degree of care.

6.3. Each Recipient agrees to make the Discloser's Confidential Information available only to those of its Affiliates, employees, officers, directors, legal or professional advisors, or students ("**Representatives**") who have a need to know the same for the purposes of the Research Project and /or this Agreement and who are bound by obligations of confidentiality. The Recipient shall not disclose the Confidential Information to any third party except for any third party Representatives as provided herein.

6.4. Each Party agrees that the obligations of confidentiality contained herein shall not apply to any Information which:

(i) was publicly available prior to the date of disclosure under this Agreement or becomes publicly available thereafter through no wrongful act or omission on the Recipient's part;

(ii) was known to the Recipient prior to the date of disclosure under this Agreement or becomes known to the Recipient thereafter, without restriction as to use or disclosure, from a third party having an apparent bona fide right to disclose the Information, as evidenced by written records;

(iii) is independently developed by the Recipient, as evidenced by written records; or

(iv) is disclosed with the Discloser's prior written consent.

6.5. Where the Recipient is required to disclose Confidential Information pursuant to an order of a court of competent jurisdiction or by law, the Recipient may disclose such

Confidential Information provided that the Recipient, if not legally prohibited from so doing, promptly notifies the Discloser as soon as it becomes aware of, and preferably before, such required disclosure, and cooperates reasonably with efforts by the Discloser to contest or limit the scope of such order or legal requirement to disclose, or to make other provision (such as filing patent applications) to limit the effect of such disclosure.

6.6. The Parties agree that any breach of confidentiality under this Clause 6 may cause irreparable injury to the Discloser and monetary damages may not be an adequate remedy for such breach. Accordingly, the Discloser shall be entitled to seek equitable relief against any such breach, including injunctions, and this shall be without prejudice to the Discloser's other rights and remedies under law.

6.7. The obligations of confidentiality set out in this Clause 6 shall survive for a period of […***…] from the date of expiry or early termination of this Agreement.

## 7. INTELLECTUAL PROPERTY AND LICENSE RIGHTS

7.1. Each Party shall remain the owner or authorised user of all its Background IP and nothing in this Agreement, save as specifically provided for herein, shall be deemed to grant impliedly or otherwise, ownership of or rights of use of such Background IP to the other Party. Each Party may, at its sole discretion, disclose its Background IP to the other Party for use in connection with the Research Project but such Background IP shall only be used by the other Party for the purpose of the Research Project and for no other purpose. It is agreed that no Party shall be compelled to disclose any of its trade secrets or Confidential Information as part of its Background IP licensed hereunder.

7.2. All rights, interests and title to the Project IP shall be […***…] by the Parties.

7.3. The commercialisation of the NTU Background IP and of the Project IP shall be governed by the following provisions

a) NTU hereby grants the Company an option to negotiate for a non-exclusive license (in a designated field of use, where appropriate) of the NTU Background IP and an exclusive license of the Project IP (the "**Option**") on commercial terms and conditions based on and comprising all the terms set out in **Schedule 2** which constitutes an integral part of this Agreement (non-binding provisions therein remaining non-binding however). The Option may be exercised by the Company by service in writing to NTU of an "**Exercise Notice**" at any time during the term of this Agreement and within […***…] after expiry of the term of this Agreement (the "**Option Period**"). For the avoidance of doubt, it is agreed that Schedule 2 annexed hereto substantially sets out all the terms and conditions of the Exclusive License Agreement that both NTU and the Company consider essential and fundamental, all other terms and conditions being merely ancillary. The Parties shall finalize and execute such license agreement within […***…] following receipt by NTU of the Exercise Notice (the "**Negotiation Period**").

b) If the Option is not exercised by the Company during the Option Period, NTU shall not have any further obligation to the Company in this regard.

c) If the Option is exercised by the Company, it is hereby agreed that upon the grant of the exclusive licence in the relevant Project IP to the Company:-

(i) All and any decisions on the filing of any IP Application to protect the relevant Project IP shall be at the Company's sole discretion and the Company shall coordinate with NTU as to the IP Applications which it wishes to file for such Project IP. The Company shall be responsible for managing the filings, prosecution and maintenance of the IP Applications. The Company shall keep NTU informed of the status of the IP Applications from time to time. NTU shall do all such other acts and things as may be necessary as the Company may reasonably request, at the Company's cost and expense, to assist or enable the Company to maintain the IP Applications. The Company shall further ensure compliance with all applicable Singapore and other patent laws and regulations when filing the IP Applications, including obtaining any necessary national security clearances from the Intellectual Property Office of Singapore prior to any foreign filings of IP Applications;

(ii) The Company shall be responsible for all IP Expenses associated with such IP Applications. The Company shall further reimburse NTU for all IP Expenses for such IP Applications that may have been incurred by NTU before the effective date of the grant of the exclusive commercialisation rights to the Company; and

(iii) All such IP Applications shall be filed in the joint names of NTU and the Company as the joint owners thereof.

d) If the Option in respect of the Project lP is not exercised by the Company during the Option Period, […***…], subject to […***…], but in the case of […***…], subject to […***…]. Where […***…] pursuant to this Clause 7.3 (d) […***…].

7.4. Subject to any exclusive commercialisation agreement entered into by the Parties pursuant to Clause 7.3 above, the Parties shall manage all IP Applications for the Project IP in accordance with the following provisions:

a) The Parties shall appoint the Company to be the IP Lead Party to take the lead in the preparation, filing, prosecution and maintenance of all such IP Applications in accordance with the terms of this Agreement.

b) […***…] the filing of any such IP Applications. All such IP Applications shall be filed in the […***…].

c) The IP Lead Party shall provide the other Party:

(i) a copy of any draft of such IP Application sufficiently prior to filing to permit the other Party reasonable opportunity to review and make comments thereon;

(ii) copies of all substantive communications received from patent offices with respect to such filings; and

(iii) copies of all grants or certificates of registration of any such IP Applications.

The IP Lead Party shall further ensure compliance with all applicable Singapore and other patent laws and regulations when filing the IP Applications, including obtaining any necessary national security clearances from the Intellectual Property Office of Singapore prior to any foreign filings of IP Applications.

d) The Parties shall […***…] in relation to such IP Applications. The IP Lead Party shall maintain adequate records showing all such IP Expenses incurred. In the event that the IP Lead Party anticipates the possibility of any extraordinary expenditure of more than […***…] in relation to any single event arising from the preparation, filing, prosecution or maintenance of any such IP Application, the IP Lead Party shall provide the other Party with full particulars and shall discuss with the other Party a mutually acceptable course of action prior to incurring such expenditure. The other Party shall pay for its share of the IP Expenses after receiving an invoice for such IP Expenses.

e) The Parties agree to give each other reasonable assistance in obtaining the IP protection for the Project IP and in the preparation, filing, prosecution and maintenance of any such IP Application filed and shall cause to be executed all assignments and other instruments and documents as may be necessary or appropriate.

f) The IP Lead Party shall not abandon the prosecution or maintenance of any such IP Application without the prior written consent of the other Party, such consent not to be unreasonably withheld.

g) In the event that one Party elects not to seek or maintain any such IP Application in respect of a particular country or not to share in the IP Expenses thereof (the "**Non-Electing Party**"), the Non-Electing Party shall notify the other Party of such decision (the "**Notification**").

(i) Notwithstanding the Notification, the Non-Electing Party shall continue to be liable to pay for its share of the IP Expenses incurred or committed or arising from work carried out prior to the date of such Notification.

(ii) The other Party (the "**Electing Party**") shall have the right to seek or maintain such IP Application in such country in both Parties' name at the Electing Party's own expense, and shall have full control over the prosecution and maintenance thereof.

(iii) The Electing Party shall have the right to […***…] the IP Application in such country and to […***…].

(iv) The Non-Electing Party shall cease to have any rights:

(1) to […***…] such IP Application in such country; and

(2) to […***…] such IP Application in such country.

7.5. For the purposes of this Clause, the Company agrees that:

a) NTU may assign and/or transfer to NTUitive all of NTU's legal rights to and ownership in the Project IP, and the Company agrees that NTU shall be so entitled to assign and/or transfer such rights and ownership without further reference to the Company, or any obligation to obtain the Company's consent; and

b) NTU may novate or assign all or any of its rights and/or obligations under Clauses 7.3 and 7.4 above to NTUitive and in such case and where applicable, references to NTU in Clauses 7.3 and 7.4 shall be deemed to refer to NTUitive.

7.6. Each Party shall have the unfettered right to use the Project IP for its academic, research, development and other non-commercial purposes.

## 8. PUBLICATIONS

8.1. NTU and the Company have the right to publish in any journal, thesis, or dissertation, or present at any national, international or professional meeting, the findings, methods and results derived from the Research Project, subject to the provisions of Clause 6 and Clauses 8.2 to 8.4 below.

8.2. The Party who intends to publish or present (the "**Publishing Party**") shall furnish a copy of such proposed publication or presentation to the other Party (the "**Non-Publishing Party**") at least […***…] days before such publication or presentation and then the Non-Publishing Party shall, within […***…] of receipt of the proposed publication or presentation, forward its written objections to the Publishing Party if it determines that its Confidential Information or patentable subject matter may be disclosed. If no written objection is made within the stipulated time, the Publishing Party shall be free to proceed with the publication or presentation.

8.3. Confidential Information that is governed by Clause 6 identified by the Non-Publishing Party shall be deleted from the proposed publication or presentation. Notwithstanding the aforementioned, in the event that a student needs to publish or present results of his/her work under the Research Project as part of his/her degree requirements:

a) any deletion of Confidential Information should not affect the scientific and academic value of such student's thesis, report, publication or presentation ("**Degree Paper**");

b) if the Publishing Party notifies the Non-Publishing Party in good faith that it is necessary for the student to include Confidential Information in such Degree Paper for purposes connected with his/her degree requirements, then the Non-Publishing Party will consent to such inclusion, on the express condition that the Publishing Party undertakes to ensure that (i) the student discloses copies of, and/or presents the content of, the Degree Document strictly only to persons who need to know the same for such purposes and who have agreed to be bound by obligations of confidentiality in respect of the Confidential Information; and (ii) the Degree Paper is not placed in the public domain without the Non-Publishing Party's prior written consent.

8.4. In the event that the Non-Publishing Party objects to any such publication or presentation on the basis that the same would disclose patentable subject matter and would like an IP Application filed, the Non-Publishing Party shall withhold such

publication or presentation for a period of up to […***…] from the date of receipt of such objection, or such additional period as may be reasonably requested, in order for the relevant IP Application(s) to be filed with respect to such patentable subject matter.

## 9. WARRANTIES AND DISCLAIMERS OF LIABILITY

9.1. All IP, findings, results, reports and materials provided by any Party under this Agreement are provided "as-is" and without any representation or warranty, express or implied, including without limitation, any implied warranty of merchantability or fitness for any particular purpose, or any warranty that any use thereof will not infringe or violate any patent or other proprietary rights of any other person.

9.2. Each Party shall be solely responsible and liable for (i) the acts and omissions of its respective directors, agents, contractors and employees; and (ii) its use of the Project IP, or findings, results, reports or materials from the Research Project.

9.3. No Party shall be liable for any loss, whether indirect, consequential, punitive or incidental, or any special loss or damage (including loss of profits, loss of use, and loss of production) however caused (and whether arising out of contract, strict liability, or tort or under any legal or equitable theory of liability) which the other Party may suffer arising from any defect, error, fault or failure to perform with respect to any Background IP or Project IP, except to the extent where the same is caused by the gross negligence, dishonesty or wilful misconduct of that Party.

9.4. In no event shall any Party be liable to the other Party for any loss of profits, loss of goodwill, loss of use, loss of production or business interruption costs, or any type of indirect, special, consequential or incidental loss or damages suffered by the other Party arising from any breach of this Agreement whether or not the Party has been advised of the possibility of such damage, except to the extent where the same is caused by the gross negligence, dishonesty or wilful misconduct of that Party.

9.5. Notwithstanding anything to the contrary in this Agreement, NTU's liability for any cause whatsoever related to the subject matter of this Agreement and regardless of the form of action, whether in contract or in tort, including negligence, shall be limited to the cash funding provided by the Company to NTU for the performance of the Research Project, except to the extent where the same is caused by the gross negligence, dishonesty or wilful misconduct of NTU.

## 10. TERMINATION

10.1. A Party (hereinafter the "**Terminating Party**") may terminate this Agreement:-

a) in the event of the other Party (the "**Defaulting Party**") being in breach of any material term of this Agreement which is either incapable of rectification or which is not rectified within […***…] of written notice given by the Terminating Party; or

b) in the event of the other Party:

(i) having a receiver appointed to any of its assets; or

(ii) compounding with its creditors; or

(iii) entering into liquidation other than for the purposes of amalgamation or reconstruction.

10.2. Either Party may terminate this Agreement with […***…] written notice given to the other Party if the Parties cannot agree to proceed with the Research Project at any decision point as set out in the project plans in Schedule 1.

## 11. CONSEQUENCES OF TERMINATION

11.1. Where this Agreement is terminated in accordance with Clause 4.2, Clause 10.2 or Clause 13.3, the Parties shall use their best endeavours to wind up the work carried out in relation to the Research Project in an orderly fashion and where applicable to complete such outstanding work during the relevant action periods. NTU shall be entitled to claim from the Company all costs incurred by NTU that would otherwise have been covered by the funding from the Company, including for non-cancellable commitments and NTU resources utilised, in the performance of the Research Project up to and including the date of termination, provided that the total funding amount shall not be exceeded. NTU shall reimburse to the Company any unutilised funds.

11.2. Where this Agreement is terminated in accordance with Clause 10.1.a) the Terminating Party shall be relieved of its obligations under the Research Project and shall have no liability whatsoever to the Defaulting Party in respect of such termination.

11.3. The termination of this Agreement shall not affect any rights that shall have accrued to any Party prior to such termination.

11.4. In addition to such provisions which survive the termination of this Agreement by operation of law, the provisions of Clauses 6, 7, 8, 9, 11, 12, and 14 to 21 shall continue in force in accordance with their terms, notwithstanding the termination of this Agreement for any reason.

## 12. ASSIGNMENT

12.1. Except as provided for under this Agreement, and to Affiliates, no Party may assign all or any of its rights or obligations under this Agreement without the prior written consent of the other Party.

## 13. FORCE MAJEURE

13.1. No Party shall be liable for any failure to perform its obligations under this Agreement if the failure results from events beyond the reasonable control of any of the Parties. For the purpose of this Agreement, such events shall include, but not necessarily be limited to, strikes, lock-outs or other labour disputes, civil disturbances, actions or inactions of government authorities or suppliers, epidemics, wars, embargoes, acts of God or other catastrophes ("**Force Majeure Event**").

13.2. The respective obligations of a Party hereunder shall be suspended during the time and to the extent that such Party is prevented from complying therewith by a Force Majeure Event provided that such Party shall have given written notice thereof, specifying the nature and details of such event and the probable extent of the delay, to the other Party.

13.3. In case of a Force Majeure Event the time for performance required by a Party under this Agreement shall be extended for any period during which the performance is prevented by the event. However, the other Party may terminate this Agreement by notice in writing if such an event which prevents performance continues for more than […***…].

## 14. USE OF NAMES

14.1. No Party shall use the name of the other Party for any purpose whether in relation to any advertisement or other form of publicity without obtaining the prior written consent of the other Party, not to be unreasonably withheld or delayed.

14.2. Notwithstanding the generality of Clause 14.1 the Parties may notify third parties of the fact that this Agreement is in effect.

## 15. NOTICES

15.1. Any notice to be given by a Party to this Agreement shall be in writing and shall be deemed duly served if delivered personally or sent by prepaid registered post to the addressee at the address or at such other address as the Party to be served may have notified the other Party for the purposes of this Agreement:

**NTU:**

*For technical matters relating to the Research Project:*
School of Biological Sciences
Nanyang Technological University
61 Biopolis Drive, Singapore 135673
Attn: […***…]

*For Contract Matters:*
Legal & Secretarial Office
Nanyang Technological University
Innovation Centre Block 1, Unit 208
16 Nanyang Drive, Singapore 637722
Attn: Research Contracts (Ref: RCA-16/256)

*For Intellectual Property Matters:*
Nanyang Technological University — NTUitive Pte Ltd
Innovation Centre Block 1, Unit 109
16 Nanyang Drive, Singapore 637722
Attn: CEO (Ref: RCA-16/256)

**Company:**

Asian Pharmaceuticals Pte Ltd
UE Square (West Wing), 83 Clemenceau Avenue, #12-03, Singapore 239920
Attn: General Counsel

15.2. Any notice given pursuant to Clause 15.1 shall be deemed to have been received:

a) in the case of delivery by hand, when delivered; or

b) in the case of sending by post:

(i) where posted in the country of the addressee, on the third Business Day following the day of posting; and

(ii) where posted in any other country, on the seventh Business Day following the day of posting; or

## 16. DISPUTE RESOLUTION

16.1. In the event of any difference or dispute arising between the Parties relating to the validity, interpretation, construction or performance of this Agreement, the Parties shall use their reasonable endeavours to settle amicably such difference or dispute by consultation and negotiation.

16.2. If such efforts taken under Clause 16.1 above fail, then the Parties may refer the matter to mediation in accordance with the rules and procedures of the […***…].

16.3. If, and to the extent that, any dispute has not been settled pursuant to Clauses 16.1 and 16.2 above, then the dispute shall be referred to and finally resolved by arbitration in […***…] in accordance with the […***…] for the time being in force, which rules are deemed to be incorporated by reference to this Clause 16. The language of the arbitration shall be English. Any award made hereunder shall be final and binding upon the Parties hereto and judgment on such award may be entered into by any court or tribunal having jurisdiction thereof.

## 17. GOVERNING LAW

17.1. This Agreement, including its validity and interpretation and the merits of any dispute or claim arising out of or relating to this Agreement, shall be governed by the laws of […***…].

## 18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT (CAP.53B)

18.1. No person shall have any right pursuant to the Contracts (Right of Third Parties) Act (CAP.53B) to enforce any of the terms and conditions in this Agreement.

## 19. COMPLIANCE WITH APPLICABLE LAWS

19.1. The Parties shall comply at all times with any relevant laws, regulations, by-laws, rules and guidelines applicable to it in the carrying out of the Research Project, including any Personal Data (as defined below) or data privacy laws.

Where a Party (the "**Disclosing Party**") will be disclosing Personal Data to the other Party (the "**Receiving Party**") and prior to disclosing any Personal Data to the Receiving Party, the Disclosing Party shall obtain consent from the individual whose Personal Data is being disclosed (the "**Data Subject**"), to permit the Receiving Party to collect, use and/or disclose the Data Subject's Personal Data for the purposes of the Research Project and/or this Agreement. The Receiving Party will use the Personal Data solely for the purposes for which the Disclosing Party disclosed the Personal Data

"**Personal Data**" shall mean any data, whether true or not, about an individual who can (a) be identified from that data; or (b) from that data and other information to which the Receiving Party has or is likely to have access.

## 20. ENTIRE AGREEMENT

20.1. Unless otherwise expressly specified, this Agreement embodies the entire understanding between the Parties in respect of the Research Project and any prior or contemporaneous representations, either oral or written, are hereby superseded.

20.2. No amendments or changes to this Agreement shall be effective unless made in writing and signed by duly authorised representatives of the Parties.

**21. GENERAL**

21.1. Nothing in this Agreement shall create or be deemed to create, a partnership, or the relationship of principal and agent, between the Parties.

21.2. No exercise, or failure to exercise, or delay in exercising any right power or remedy vested in any Party under or pursuant to this Agreement shall constitute a waiver by that Party of that or any other right, power or remedy.

21.3. In the event that any term, condition or provision of this Agreement is held to be a violation of any applicable law, statute or regulation, the same shall be deemed to be deleted from this Agreement and shall be of no force and effect, and this Agreement shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Agreement. Notwithstanding the above, in the event of any such deletion, the Parties shall negotiate in good faith in order to agree on terms of a mutually acceptable and satisfactory alternative provision in place of the provision so deleted.

21.4. The Parties shall co-operate with each other and execute and deliver to the other such instruments and documents and take such other action as may be reasonably requested from time to time in order to carry out and confirm the rights and the intended purpose of this Agreement.

21.5. Except as otherwise provided in this Agreement, the Parties shall bear their own costs of and incidental to the preparation, execution and implementation of this Agreement.

21.6. The Parties may sign this Agreement in one (1) or more counterparts by the duly authorised representatives of the Parties, each of which constitutes an original and all of which taken together shall constitute the Agreement. The Parties may sign and deliver this Agreement by facsimile or by emailed portable document format ("**PDF**") document (or other mutually agreeable document format), and a reproduction of this Agreement with a Party's signature made by facsimile or PDF, sent by facsimile or email shall have the same effect as and be enforceable as a signed and delivered original version of this Agreement.

**IN WITNESS WHEREOF** the Parties have caused this Agreement to be executed on the date first above written.

SIGNED by for and on behalf of

**NANYANG TECHNOLOGICAL UNIVERSITY**

/s/ Peer Preiser

Name: Professor Peer Preiser
Designation: Chair School of Biological Sciences Nanang Technological University

In the presence of:

/s/ Pär Nordlund

Name: Pär Nordlund
Designation: Professor

SIGNED by for and on behalf of

**ASLAN PHARMACEUTICALS PTE LTD**

/s/ Carl Firth

Name: CARL FIRTH
Designation: CEO

In the presence of:

/s/ Isana Enpo

Name: Isana Enpo
Designation: Senior Business Development Director

SCHEDULE 1

## RESEARCH PROJECT

**Title :Generation of domain antibodies for therapeutic applications**

**1. BACKGROUND I INTRODUCTION I OBJECTIVES AND SCOPE OF THE WORK**

[…***…]

**2. DELIVERABLES**

[…***…]

**3. CONTRIBUTIONS TO THE RESEARCH PROJECT / BUDGET**

**(a) In-kind Contribution by NTU to the Research Project**

[…***…]

| | | |
|---|---|---|
| **(b)** | **In-kind Contribution by the Company to NTU to carry outthe Research Project** | […***…] |
| | | S$ |
| **(c)** | **Funding by the Company to NTU to complete the 3research streams described in the research Project** | |
| | […***…] | |
| | **Total Amount Payable*** | 255,000 |

[…***…]

***Confidential Treatment Requested

**4. PAYMENT SCHEDULE**

The Company shall pay the Total Amount Payable of S$255,000 […***…]in accordance with the following schedule of payment:

| | | […***…] | […***…] | [ *** `] | […***…] |
|---|---|---|---|---|---|
| […***…] | […***…] | | | | |
| […***…] | […***…] | […***…] | | | |
| […***…] | | | | | |
| […***…] | […***…] | | […***…] | […***…] | […***…] |
| […***…] | […***…] | | […***…] | […***…] | […***…] |
| […***…] | […***…] | | […***…] | […***…] | […***…] |
| […***…] | […***…] | | […***…] | […***…] | […***…] |
| […***…] | […***…] | | […***…] | […***…] | […***…] |
| […***…] | | | […***…] | […***…] | […***…] |
| […***…] | | […***…] | […***…] | […***…] | […***…] |
| […***…] | | | […***…] | | |
| […***…] | | | | […***…] | |
| **Total for Project 1, 2 and 3** | | | | | **255,000** |

[…***…]

**5. BACKGROUND IP**

[…***…]

**SCHEDULE 2**

## TERM SHEET

This term sheet (this "Term Sheet") describes the principal terms for the commercialization of specified Licensed Technology (as defined below). Other than as provided below under "Terms Confidential" and "Law" or in existing or future written non-disclosure agreements: (a) this document represents only a summary of certain potential terms and is intended solely as a basis for further discussions; (b) this document is not intended to and does not create any agreements, expectancies or legally binding obligations; and (c) all rights and obligations of the Parties, if any, will be subject to, without limitation, successful completion of due diligence by all Parties and negotiation and execution of definitive transaction documents, including without limitation the License Agreement (as defined below).

| | | | |
|---|---|---|---|
| 1. | NTUitive | : | Nanyang Technological University — NTUitive Pte Ltd, a company incorporated in Singapore (UEN: 199502518G) |
| 2. | Licensee | : | Asian Pharmaceuticals Pte Ltd, a company incorporated in Singapore (UEN: 201007695N) . |
| 3. | License Grant | : | NTUitive will grant Licensee […***…] and […***…] during the Term to develop, make, have made, import into, use, offer for sale, sell and have sold Licensed Products in the Field of Application in the Territory, and to use the Licensed Technology for such purpose, on the terms of a License Agreement to be signed.<br><br>Nothing in the License Agreement will prejudice NTU's right to use, and to allow NTU staff members, employees and students to use, and/or to grant other third parties the rights to use, the Licensed Technology with respect to the Background IP for academic, research and other non-commercial purposes. |
| 4. | NTU Background IP | : | The invention(s) as described in **Annex 1, Part (a)**. |
| 5. | Project IP | : | "Project IP" shall have the meaning ascribed to it in Clause 1.1 of the RCA. |
| 6. | Research Collaboration Agreement or RCA | : | The Licensing and Research Collaboration Agreement between Nanyang Technological University and the Licensee dated 10 October 2016 for the research project titled "Generation of domain antibodies for therapeutic applications". |
| 7. | Licensed Patents | : | The patents and patent applications in respect of the NTU Background IP and Project IP as listed in **Annex 1, Part (b)**: |

| | | | |
|---|---|---|---|
| | | | (i) all divisional, continuation or reissue applications of any such patent applications;<br><br>(ii) all patents issuing from any of the foregoing applications;<br><br>(iii) all reissues, re-examinations and extensions of any of the foregoing patents; and<br><br>(iv) all patents and patent applications anywhere in the Territory that, at any time, claimed priority from or contained the same disclosure as any of the foregoing patent applications. |
| 8. | Licensed Proprietary Materials | : | Unpublished research and development information, technical information, manufacturing techniques, formulae, data, designs and other information in relation to the NTU Background IP and Project IP in the possession of NTUitive and as listed in **Annex 1, Part (c)** to be transferred to Licensee pursuant to the License Agreement. |
| 9. | Licensed Technology | : | Licensed Patents and Licensed Proprietary Materials. |
| 10. | Licensed Products | : | Any product or service that:<br><br>(i) the making, using, selling or import of which is covered by any claim of any patent under the Licensed Patents (treating for this purpose, any pending patents as if they had been issued); and/or<br><br>(ii) incorporates or that is or was developed in whole or in substantial part through the use or application of any of the Licensed Proprietary Materials. |
| 11 | Term | | Save for early termination, the license rights granted will terminate, on a country-by-country basis, upon the later of (a) the last to expire of any patents under the Licensed Patents; or (b) the end of a period of 20 years from the date of the first commercial sale of Licensed Product. Should the period referred to in part (a) expire prior to 20 years from the date of the first commercial sale in a particular country or countries, the license in that country or those countries will be deemed a license to the Licensed Proprietary Materials. |
| 12. | Field of Use | : | All Fields |
| 13. | Territory | : | Worldwide. |

| | | | |
|---|---|---|---|
| 14. | Sub-Licenses | : | Licensee will have the right to grant sub-licenses of the Licensed Technology. |
| 15. | Licensee Performance Milestones | : | No licensee performance milestones will be included in the License Agreement |
| 16. | Financial Consideration | : | (i) Upfront License Fee, consisting of:<br>[…***…]<br>The Licensee shall pay the non-refundable Upfront License Fee upon signing the License Agreement.<br>(ii) Development Milestone Payments:<br>Upon achievement of the following milestones events for any of the Licensed Products the Licensee shall pay NTUitive the following non-refundable sums.<br>(a) […***…]<br>(b) […***…]<br>(c) […***…]<br>(d) […***…]<br>The Licensee shall notify NTUitive upon the occurrence of each milestone event above within […***…] of such occurrence and shall pay the<br>relevant Development Milestone Payment within […***…] upon occurrence of the milestone.<br>(ii) Royalties:<br>(a) […***…] of Net Sales for the first […***…] of total Net Sales; and<br>(b) […***…] of Net Sales thereafter.<br>The amounts stated above are exclusive of any applicable Singapore Goods and Services Tax (GST) payable by Licensee on such amounts.<br>Accounting of Royalties will be on a calendar year basis. |
| 17. | Net Sales | : | The amount received for all sales, leases, or other transfers of Licensed Products by or for Licensee or its Sub-Licensees, to a third party who will be an end user of the Licensed Products, less: |

(i) customary trade, quantity or cash discounts and non-affiliated brokers' or agents' commissions actually allowed and taken;

(ii) amounts repaid or credited by reason of rejection or return;

(iii) to the extent separately stated on purchase orders, invoices, or other documents of sale, taxes levied on and/or other governmental charges made as to production, sale, transportation, delivery or use; and

(iv) reasonable charges for delivery or transportation provided by third parties, if separately stated (to the extent not paid by the third party customer).

Net Sales also includes the fair market value of any non-cash consideration received by Licensee or its Sub-Licensee for the use, sale, lease, or transfer of Licensed Products.

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|---|---|---|---|
| 18. | Accounts and Audit Rights | : | Licensee will deliver to NTUitive annual audited financial statements. NTUitive will have the right to inspect Licensee's accounts and records bearing upon amount of royalties and other sums payable to NTUitive upon not less than […***…] prior written notice. |
| 19. | Patent Expenses and Management of Licensed Patents in relation to Project IP | : | All and any decisions on the filing of any patent application to protect the Project IP shall be at Licensee's sole discretion and Licensee shall coordinate with NTUitive as to the patent applications which it wishes to file for the Project IP.<br><br>Licensee shall be responsible for all Patent Expenses associated with such patent applications. Licensee shall further reimburse NTUitive for all Patent Expenses for such patent applications that may have been incurred by NTUitive before the effective date of the grant of the exclusive license rights to Licensee;<br><br>All such patent applications shall be filed in the joint names of NTU and Licensee as the joint owners thereof. |

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| | | | Licensee will be responsible for managing the filings, prosecution and maintenance of all Licensed Patents for the Project IP in the Territory. Licensee will keep NTUitive informed of the status of the Licensed Patents from time to time. NTUitive will do all such other acts and things as may be necessary as Licensee may reasonably request, at Licensee's cost and expense, to assist or enable Licensee to maintain the Licensed Patents, and agrees to procure that NTU as necessary does such acts and things as aforesaid. |
| 20. | Infringement of Licensed Patents by third parties | : | Licensee shall notify NTUitive in writing of any infringement, or suspected or threatened infringement, of any of the Licensed Patents that shall at any time come to its knowledge.<br><br>While and as long as the license remains exclusive with respect to the Project IP, Licensee will be responsible for, after consultation with NTUitive, taking all appropriate steps (including all legal proceedings) as may be necessary to prevent or restrain any infringement by a third party of any of the Licensed Patents in relation to the Project IP in the Field of Application and will be responsible for all costs and fees incurred by Licensee in the taking of any such steps. Licensee is empowered to bring any such legal proceedings in its own name, or if required by law, jointly with NTUitive. Any award or settlement payment resulting from an action initiated by Licensee will be first used to reimburse all documented out-of-pocket expenses incurred by both Parties in relation to such legal action, and thereafter paid to Licensee and will be deemed royalties received under the license agreement.<br><br>If Licensee decides not to or fails to take appropriate steps to prevent or restrain any infringement by any third party of any of the Licensed Patents in relation to the Project IP (but not otherwise), NTUitive will be entitled to take action to prevent or restrain such infringement. NTUitive will be entitled to retain any award of damages or other compensation obtained as a result of any such action (including any proceedings) being taken by NTUitive. Licensee agrees to provide reasonable assistance which NTUitive may require in any litigation including the execution of all necessary legal documents. |
| 21. | Infringement of third party rights | : | If any proceedings are brought against Licensee on grounds that the use or exploitation by Licensee of any of the Licensed Technology infringes the rights |

of any third party, Licensee will notify NTUitive of the same. Licensee will have the exclusive control of the defense of such proceedings. NTUitive will not be liable for, and Licensee will indemnify NTUitive and NTU and keep NTUitive and NTU indemnified against, all and any costs and expenses including consequential loss or damage, loss of profits or other economic loss suffered by Licensee in respect of such proceedings, save where such costs, expenses, losses and damages are caused directly by the gross negligence or wilful misconduct of NTUitive and/or NTU, including the deliberate infringement of the intellectual property of any third party by NTUitive and/or NTU, in respect of the Licensed Technology.

22. Warranties and Liabilities : Neither NTUitive nor NTU makes no warranties or representations, express or implied, including without limitation:

(i) warranties of fitness for a particular purpose or merchantability, satisfactory quality, reliability, accuracy or validity of the Licensed Technology or Licensed Products; or;

(ii) the patentability of the Licensed Technology or Licensed Products or of the enforceability of any Licensed Patents, if any; or

(iii) that the Licensed Technology or Licensed Products are or will be free from infringement of any patent or other rights of third parties, subject as provided in 21 above.

Neither NTUitive nor NTU, nor any of their faculty members, scientists, researchers, employees, officers, trustees or agents, assume any responsibility for the use of the Licensed Technology by Licensee, or its Sub-Licensees, or any use, manufacture, specifications, sale or other dispositions of Licensed Products by or for Licensee or its Sub-Licensees, except to the extent where the same is caused by the gross negligence, dishonesty or wilful misconduct of NTUitive and/or NTU.

Neither NTUitive nor NTU will be liable to Licensee for any loss, damages, expenses, costs, damages or any other liability whatsoever which in any way relates to the use of the Licensed Technology by Licensee or its Sub-Licensees, or any use, manufacture, specifications, sale or other

| | | | |
|---|---|---|---|
| | | | dispositions of Licensed Products by or for Licensee or its Sub-Licensees, subject as provided in 21 above, except to the extent where the same is caused by the gross negligence, dishonesty or wilful misconduct of NTUitive and/or NTU.<br><br>Notwithstanding anything to the contrary, NTUitive's total and cumulative liability under the license agreement, howsoever arising, will not exceed the total sum of monies paid by Licensee to NTUitive pursuant to the license agreement, except to the extent where the same is caused by the gross negligence, dishonesty or wilful misconduct of NTUitive and/or NTU. |
| 23. | Indemnities and Insurance | : | Licensee will at all times indemnify, defend and hold harmless NTUitive and NTU against all and any loss, damages, expenses, costs, or damages, incurred by NTUitive or NTU, or for which NTUitive or NTU may become liable arising: (a) out of any use of the Licensed Technology by Licensee or its Sub-Licensees, subject as provided in 21 above; or (b) out of any use, manufacture, sale, or other disposition of Licensed Products by or for Licensee or its Sub-Licensees. Such indemnity and defense obligation will apply to any claims, including without limitation, infringement of third party intellectual property rights, personal injury, and death or property damage, made by employees, subcontractors or agents of Licensee, as well as any member of the general public.<br><br>Licensee will maintain adequate product liability insurance coverage and will ensure that NTUitive's and NTU's interest are noted on the policy. Licensee will supply NTUitive with a copy of such insurance policy on request. |
| 24. | Law | | […***…] law shall apply in all respects. |
| 25. | Terms Confidential | | Licensee and NTUitive agree that the terms hereof and the nature of the contemplated transaction described herein shall not be disclosed to any third party. NTU shall not be considered as a third party for the purposes of this clause. |

**ANNEX 1**

**(a) Description of NTU Background IP (Non-Exclusive License)**

[…***…]

**(b) Licensed Patents**

[…***…]

**(c) Licensed Proprietary Materials**

[…***…]

*****Text Omitted and Filed Separately with the Securities and Exchange Commission. Confidential Treatment Requested Under 17 C.F.R. Sections 200.80(b)(4) and 240.24b-2.**

DATED THIS 24 DAY OF JAN 2017

Between

**NANYANG TECHNOLOGICAL UNIVERSITY**

And

**ASLAN PHARMACEUTICALS PTE LTD**

---

# AMENDMENT NO.1 TO LICENSING AND RESEARCH COLLABORATION AGREEMENT

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**THIS AMENDMENT AGREEMENT NO.1** (the "Amendment Agreement") is made the 24 day of Jan, 2017

BETWEEN

1. **NANYANG TECHNOLOGICAL UNIVERSITY** (Reg. No. 200604393R), located at 50 Nanyang Avenue, Singapore 639798, and acting through its School of Biological Sciences **("NTU"),**

   and

2. **ASLAN PHARMACEUTICALS PTE LTD** (Reg. No. 201007695N), a company incorporated in Singapore with a business address at UE Square (West Wing), 83 Clemenceau Avenue, #12-03, Singapore 239920 **("Company"),**

   (hereinafter collectively referred to as the **"Parties"** and individually as a **"Party").**

**WHEREAS:**

(A) The Parties have entered into a Licensing and Research Collaboration Agreement dated 10th October 2016 [NTU Ref: RCA-16/256] (the **"Principal Agreement")** for the project titled "Generation of domain antibodies for therapeutic applications".

(B) The Parties have agreed to amend the terms of the Principal Agreement in consideration of the mutual obligations and undertakings contained herein.

**THEREFORE** the Parties do hereby agree as follows:

1. **INTERPRETATION**

1.1 Unless otherwise provided in this Amendment Agreement, terms used in this Amendment Agreement shall have the same meaning and construction where defined in the Principal Agreement.

2. **AMENDMENTS TO THE PRINCIPAL AGREEMENT**

2.1 The Parties hereby agree to amend the Principal Agreement, and any amendments to the Principal Agreement, pursuant to Clause 20.2 of the Principal Agreement, as follows:

   (a) By replacing Schedule 1 of the Principal Agreement in its entirety with the Schedule 1 attached to this Amendment Agreement.

2.2 Save as expressly provided or varied herein, all other terms and conditions of the Principal Agreement, and all rights and liabilities accruing before this Amendment Agreement comes into effect shall remain unaffected.

2.3 This Amendment Agreement shall be effective as of 15th December 2016.

2.4 This Amendment Agreement shall be read and take effect as one with the Principal Agreement.

3. **GOVERNING LAW**

3.1 This Amendment Agreement shall be governed by, interpreted and construed in accordance with the laws of […***…].

**IN WITNESS WHEREOF** the Parties have caused this Agreement to be executed on the date first above written.

SIGNED by for and on behalf of

**NANYANG TECHNOLOGICAL UNIVERSITY**

/s/ Zoynek Bozdech
Name: Prof. Zoynek Bozdech

Designation: Associate Chair (Research)
School of Biological Sciences
Nanyang Technological University

In the presence of:

/s/ Pär Nordlund
Name: Pär Nordlund

Designation: Professor, group leader

SIGNED by for and on behalf of

**ASLAN PHARMACEUTICALS PTE LTD**

/s/ Carl Firth
Name: Carl Firth

Designation: CEO

In the presence of:

/s/ Joanne Koh
Name: Joanne Koh

Designation: Executive Assistance

SCHEDULE 1

**RESEARCH PROJECT**

**Title :Generation of domain antibodies for therapeutic applications**

1. **BACKGROUND/ INTRODUCTION/ OBJECTIVES AND SCOPE OF THE WORK**

[…***…]

2. **DELIVERABLES**

[…***…]

3. **CONTRIBUTIONS TO THE RESEARCH PROJECT/ BUDGET**

(a) **In-kind Contribution by NTU to the Research Project**

[…***…]

| | | |
|---|---|---|
| (b) | **In-kind Contribution by the Company to carry out the Research Project** | S$ |
| | […***…] | |
| | **Total:** | 37,000 |
| (c) | **Funding by the Company to NTU to complete the 3 research streams described in the research Project** | S$ |
| | […***…] | |
| | **Total Amount Payable* […***…]** | 255,000 |

[…***…]

## 4. PAYMENT SCHEDULE

The Company shall pay the Total Amount Payable of S$255,000 […***…] in accordance with the following schedule of payment:

| | | | | | |
|---|---|---|---|---|---|
| | | […***…] | […***…] | […***…] | […***…] |
| […***…] | […***…] | | | | |
| […***…] | […***…] | […***…] | | | |
| […***…] | | | | | |
| […***…] | […***…] | | […***…] | […***…] | […***…] |
| […***…] | […***…] | | […***…] | […***…] | […***…] |
| […***…] | […***…] | | […***…] | […***…] | […***…] |
| […***…] | […***…] | | […***…] | […***…] | […***…] |
| […***…] | […***…] | | […***…] | […***…] | […***…] |
| […***…] | | | […***…] | […***…] | […***…] |
| […***…] | | […***…] | […***…] | […***…] | […***…] |
| […***…] | | | […***…] | | |
| […***…] | | | | […***…] | |
| **Total for Stream 1, 2 and 3** | | | | | **255,000** |

[…***…]

## 5. BACKGROUND IP

[…***…]

DATED THIS 26th DAY OF October 2017

Between

**NANYANG TECHNOLOGICAL UNIVERSITY**

**And**

**ASLAN PHARMACEUTICALS PTE LTD**

# AMENDMENT NO.2 TO LICENSING AND RESEARCH COLLABORATION AGREEMENT

**THIS AMENDMENT AGREEMENT NO .2** (the "**Amendment Agreement No. 2**") is made the 26th day of October 2017

BETWEEN

1. **NANYANG TECHNOLOGICAL UNIVERSITY** (Reg. No. 200604393R), located at 50 Nanyang Avenue, Singapore 639798, and acting through its School of Biological Sciences ("**NTU**"),

   and

2. **ASLAN PHARMACEUTICALS PTE LTD** (Reg. No. 201007695N), a company incorporated in Singapore with a business address at UE Square (West Wing), 83 Clemenceau Avenue, #12-03, Singapore 239920 ("**Company**"),

   (hereinafter collectively referred to as the "**Parties**" and individually as a" Party").

**WHEREAS:**

(A) The Parties have entered into a Licensing and Research Collaboration Agreement dated 10th October 2016 [NTU Ref: RCA-16/256] (the "**Principal Agreement**") for the project titled "Generation of domain antibodies for therapeutic applications".

(B) The Principal Agreement was amended by the parties on 24th January 2017.

(C) The Principal Agreement currently states that, unless extended by mutual agreement of the Parties, it will lapse on 10th October 2017.

(D) The Parties wish to extend the term of the Principal Agreement as set out below.

**THEREFORE** the Parties do hereby agree as follows:

## 1. INTERPRETATION

1.1 Unless otherwise provided in this Amendment Agreement No. 2, terms used in this Amendment Agreement No. 2 shall have the same meaning and construction where defined in the Principal Agreement.

## 2. AMENDMENTS TO THE PRINCIPAL AGREEMENT

2.1 The Parties hereby agree to amend the Principal Agreement, and any amendments to the Principal Agreement, by replacing Clause 3.1 of the Principal Agreement in its entirety with the following:

> This Agreement shall come into force on the Effective Date and shall continue for a period of eighteen months (the "**Term**") unless terminated earlier in accordance with the terms of this Agreement. Notwithstanding the foregoing, this Agreement may be extended by mutual written agreement of the Parties.

2.2 Save as expressly provided or varied herein, all other terms and conditions of the Principal Agreement, and all rights and liabilities accruing before this Amendment Agreement No. 2 comes into effect shall remain unaffected.

2.3 This Amendment Agreement No. 2 shall be effective as of 10th October 2017.

2.4 This Amendment Agreement No. 2 shall be read and take effect as one with the Principal Agreement.

**3. GOVERNING LAW**

3.1 This Amendment Agreement No. 2 shall be governed by, interpreted and construed in accordance with the laws of […***…].

**IN WITNESS WHEREOF** the Parties have caused this Amendment Agreement No. 2 to be executed on the date first above written.

SIGNED by for and on behalf of

**NANYANG TECHNOLOGICAL UNIVERSITY**

/s/ Peter Preiser
Name: Prof Peter Preiser

Designation: Chair
School of Biological Sciences

In the presence of:

/s/ Pär Nordlund
Name: Pär Nordlund

Designation: Chair
School of Biological Sciences

SIGNED by for and on behalf of

**ASLAN PHARMACEUTICALS PTE LTD**

/s/ Ben Goodger
Name: Ben Goodger

Designation: General Counsel

In the presence of:

/s/ Nishi Singh
Name: Nishi Singh

Designation: Legal Manager

INLAND REVENUE AUTHORITY OF SINGAPORE

**Original**

**Certificate of Stamp Duty**

| | | |
|---|---|---|
| Stamp Certificate Reference | : | **213013-01LA3-1-343962116** |
| Stamp Certificate Issued Date | : | **20/07/2016** |
| Applicant's Reference | : | **SES.NSA.KW00800.0159** |
| Document Reference Number | : | **2016062801095 ver. 1.0** |
| Document Description | : | **Acceptance to Offer of Lease (Ad valorem)** |
| Date of Document | : | **15/07/2016** |

---

| | | |
|---|---|---|
| Property | : | 83 CLEMENCEAU AVENUE, #12-03, SINGAPORE 239920 |
| Lessor/ Landlord | : | UNITED ENGINEERS LIMITED (UEN-LOCALCO -191200018G) |
| Lessee/ Tenant | : | ASLAN PHARMACEUTICALS PTE. LTD. (UEN-LOCALCO - 201007695N) |
| Stamp Duty | : | S$ 4,536.00 |
| **Total Amount** | : | **S$ 4,536.00** |

*To confirm if this Stamp Certificate is genuine, you may do an online check at https:llestamping.iras.gov.sg. Under Stamp Duty Resource, select Verify Stamp Certificate Authenticity.*

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**KP2L514L - 20/07/2016** **213013-01LA3-1-343962116**
**2016062801095**
**1a6a69f37d8a0f6b641102921231704f**

Ref: OFF/LOO/#12-03/ASLAN//GC

16 June 2016 **BY COURIER**

**ASLAN PHARMACEUTICALS PTE.LTD.**
10A Bukit Pasoh Road
Singapore 089824

**Attention : Mr Carl Aslan Jason Morton Firth**
**Chief Executive Officer**

Dear Sirs,

**LETTER OF OFFER FOR 83 CLEMENCEAU AVENUE #12-03 UE SQUARE SINGAPORE 239920**

United Engineers Limited (the "**Landlord**") is pleased to offer to you, **M/s Aslan Pharmaceuticals Pte.Ltd.** (the "**Tenant**"), a tenancy (the "**Tenancy**") of the above unit on the following principal terms and conditions:-

1. Premises

   **#12-03**, 83 Clemenceau Ave

2. Floor Area

   **4,500.00** square feet approximately

   A copy of the floor plan edged red is attached (for identification purposes only). The floor area shall be subject to final site measurement and relevant authority's approval.

3. Lease Term

   **Three (**03**) years**

4. Term of Tenancy

   **1 October 2016—30 September 2019 (both dates inclusive)**

5. Option to Renew

   Further option to renew for 3 years at the then prevailing market rent.

6. Rent and Service Charge

| | |
|---|---|
| Rent @ **S$5.95** psf per month | **S$26,775.00** per month |
| Service Charge @ **S$1.05** psf per month | **S$ 4,725.00** per month |
| Total Monthly Gross Rent @**S$7.00** psf per month | **S$31,500.00** per month |

12 Ang Mo Kio Street 64
#034A-01 UE Bix Hub CENTRAL
Singapore 569088
T : (65) 6818 8383
F : (65) 6818 8398
United Engineers Limited
www.uel.com.sg

- Rent and Service Charge shall be payable monthly in advance from date of commencement of the Term of the Tenancy.
- The above Service Charge rate is a current estimation and is subject to change from time to time.
- In the event that after acceptance of this offer, the Tenant fails to observe or perform (or threatens to commit a breach of or not to perform) the Tenant obligations under this letter, or to take possession of the Demised Premises in accordance with the terms and conditions of this Letter of Offer, or bankruptcy/winding-up proceedings are commenced against the Tenant, then without prejudice to any other rights or remedies available to the Landlord, at law or in equity, the Landlord may terminate this agreement by written notice to the Tenant, whereupon the Landlord shall have the absolute right to forfeit the security deposit.

7. Taking Possession

The Tenant shall take possession of the Premises on **1 September 2016** in its **bare and original condition** subject to the Tenant having paid to the Landlord prior to the taking possession (i) 3 months' Security Deposit; (ii) 1 month's advance Gross Rent; (iii) the Fitting-Out Deposit of $3,000.00; and (iv) the Landlord's legal fees, stamp duty and disbursements.

Any delay in the Tenant taking possession of the Premises shall not be a ground for postponing the rental commencement date.

8. Goods and Services Tax

All goods and services tax in relation to the Rent, Service Charge and other sums payable by the Tenant under this Letter of Renewal shall be paid by the Tenant.

9. Security Deposit

(a) The Tenant shall deposit an amount of **S$94,500.00** equivalent to **three (03) months'** Rent and Service Charge **by way of Cash or Banker's Guarantee** to the Landlord upon acceptance of this letter of offer. Such deposit shall be refunded to the Tenant, free of interest, on the expiration of the lease term, subject to the due performance and observance by the Tenant of all the principal covenants, conditions stipulated in the Tenancy Agreement.

(b) In the event that after acceptance of this offer,

(i) the Tenant fails to observe or perform (or threatens to commit a breach of or not to perform) the Tenant obligations under this letter; or

(ii) the Tenant fails to execute the Tenancy Agreement **within two (02) weeks** of receipt of the same; or

(iii) bankruptcy/winding-up proceedings are commenced against the Tenant, then without prejudice to any other rights or remedies available to the Landlord, at law or in equity, the Landlord may terminate this agreement by written notice to the Tenant, whereupon the Landlord shall have the absolute right to forfeit the entire security deposit.

10. Permitted Use

The Premises shall only be used as an **office**.

11. Fitting-Out Period / Rent-free Period

The Landlord shall grant to the Tenant a Fitting-Out Period (free of Rent and Service Charge) of **One month** commencing **1 September 2016 till 30 September 2016 (both dates inclusive)** for the Tenant to carry out the Tenant's Works.

In the event that the Term of the Tenancy is prematurely terminated by the Tenant for any reason whatsoever or the same is determined by the Landlord in consequence of the Tenant's breach of the terms and conditions applicable thereto, the Tenant shall compensate and pay to the Landlord on demand an amount calculated at the monthly rate equivalent to the Rent and Service Charge which would have been applicable if the Fitting out period constituted part of the term of the Lease; and for the entire duration of the Rent -free Period.

12. Tenant's Works

Subject to the prior written approval of the Landlord and to all approvals being obtained by the Tenant from the relevant authorities the Tenant may in accordance with the provisions of the Tenancy Agreement carry out within the Premises at the Tenant's own cost and expense all fitting out works which are not provided by the Landlord.

The Tenant shall comply with the guidelines, terms and conditions set out in the Tenant's Fitting-Out Brief).

13. Utilities

The Tenant shall at its own cost and expense arrange for the installation and testing of the meter and any equipment or appliances required to separately measure the services supplied to the Demised Premises and for licensed electrical contractors to make the necessary applications to Landlord's Designated Supplier. All charges in respect of the supply of electricity and any other services supplied to the Premises and any taxes thereon shall be paid by the Tenant.

14. Car Parks

The Landlord will allocate to the Tenant two (02) season car parking lots at prevailing parking charges, payable in advance.

15. Reinstatement

Upon the expiration or sooner determination of the Term of the Tenancy, the Tenant shall reinstate the Premises to a **bare original condition**.

16. Air-conditioning Hours

The Landlord will provide air-conditioning to the Demised Premises daily from 8:00am to 6:00pm on Mondays through Fridays, and from 8:00 am to 1:30pm on Saturdays, save for Sundays and gazetted public holidays or during such other times as the parties may mutually agree to in writing, provided always that the Tenant bear the payment for extension of any air-conditioning hours at the prevailing charges.

17. Rent free Period

The Landlord shall grant to the Tenant a Rent Free Period (free of Gross Rent) of 0.5 month for the period from 15 September 2019 to 30 September 2019.

In the event the Tenancy is prematurely terminated by the Tenant for any reason whatsoever or the same is determined by the Landlord in consequences of the Tenant's breach of the terms and conditions applicable hereto, the Tenant shall compensate and pay to the Landlord on demand an amount calculated at the monthly rate equivalent to the Rent and Service Charge which could have been applicable if the rent free period constituted part of the Term of the tenancy; and for the entire duration of the Rent Free Period. This right is only enforceable in the event of non performance under the Tenancy Agreement whereby the Landlord is, per the Tenancy Agreement, permitted to terminate the Tenancy.

18. Documentation

Tenant's acceptance of this offer is deemed acceptance of the terms in the Tenancy Agreement. A specimen copy of the Tenancy Agreement has been forwarded to the Tenant. The Tenant shall execute the Tenancy Agreement within **two (2) weeks** upon receipt of the document.

The Tenant shall upon the Tenant's execution of the Tenancy Agreement, furnish to the Landlord:

- a certified true copy of the Tenant's Memorandum and Articles of Association certified by a director or company secretary of the Tenant; and
- a certified extract of the Tenant's director's resolutions approving the entry into the Tenancy and authorising a signatory to execute the Tenancy Agreement for and on the Tenant's behalf, certified by a director or company secretary of the Tenant.

19. Terms and Conditions of Tenancy

The Tenancy shall be subject to and in accordance with all conditions, covenants, terms and provisions contained in the specimen Tenancy Agreement, as modified by the specific terms set out in this letter and in the Tenant's Fitting-Out Brief (collectively referred to as the 'Documents') .

Until the execution of the Tenancy Agreement: -

- the provisions contained in the Documents shall apply and be binding on the Tenant and the Landlord as though such provisions had been incorporated in this letter;
- the Tenant and the Landlord shall be liable to observe and perform the same obligations as are imposed by the covenants on the part of the Tenant and on the part of the Landlord respectively and the conditions contained in the Documents in so far as they are not inconsistent with the provisions of this offer; and
- the Landlord shall have and be entitled to all remedies by distress, action or otherwise for recovering any monies or for breach of any obligation on the part of the Tenant as if the Tenancy Agreement had then been executed.

20. Legal Fees and Stamp Duty

The Landlord's legal fees and expenses in connection with the preparation of the above documentation, including stamp duty thereon shall be borne by the Tenant.

21. Non-merger Clause

The provisions of this letter shall remain in full force and effect after the execution of the Tenancy Agreement, in so far as they are still required to be observed and performed and are not provided for in the Tenancy Agreement.

22. Definitions

Expressions which are not expressly defined herein shall have the same meanings ascribed to them in the attached form of the specimen Tenancy Agreement.

23. Contracts (Rights of Third Parties) Act, Chapter 53B

A person who is not a party to this Letter of Offer has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B to enforce any term of this letter.

24. Confidentiality

The Tenant shall keep confidential and shall not at any time disclose or permit to be disclosed any terms, conditions and/or provisions of the Tenancy Agreement, or any negotiations or discussions or agreement for a renewal of the Tenancy or any matter in relation to the Tenancy Agreement, except with the prior written consent of the Landlord or as required by law or to the extent that such information has become public knowledge not due to the Tenant's breach of this undertaking.

All terms and references used in this Letter of Offer which are defined or construed in the Tenancy Agreement, but are not defined or construed in this Letter of Offer, shall have the same meaning and construction in this Letter of Offer.

Save as specifically provided herein, the terms and conditions under the Tenancy Agreement are deemed incorporated in this Letter of Offer. Further, the terms and conditions under the Tenancy Agreement shall not be affected by nor shall our respective rights and liabilities thereunder be discharged, diminished or nullified in any way whatsoever by the contents of this Letter of Offer. If there is any inconsistency between the terms and conditions under the Tenancy Agreement and this Letter of Offer, the contents of this Letter of Offer shall prevail.

To accept this offer, please proceed with the following: -

(a) signify your acceptance by signing and returning to us the duplicate copy of this letter;

(b) enclose a cheque or Banker's Guarantee of **S$94,500.00** being the 3 months' Security Deposit, issued in favour of "**UNITED ENGINEERS LIMITED**";

(c) enclose a cheque of **S$33,705.00** being 1 month's advance Gross Rent (inclusive of GST), issued in favour of "**UNITED ENGINEERS LIMITED**";

(d) enclose a cheque of **S$4,536.00** being the stamp duty payable for this document, issued in favour of "**COMMISSIONER OF STAMP DUTIES**"; and

(e) enclose a cheque of **S$3,376.39** being the legal fee payable payable for this document, issued in favour of "**KHATTARWONG LLP**".

Please note that post-dated cheques are not accepted.

This offer shall lapse if not accepted within **7** calendar days from the date of this Letter of Offer.

Yours faithfully,
**UNITED ENGINEERS LIMITED**

/s/ Quek Jing Yi
**MS QUEK JING YI**
HEAD, CORPORATE LEASING

**ACCEPTANCE**

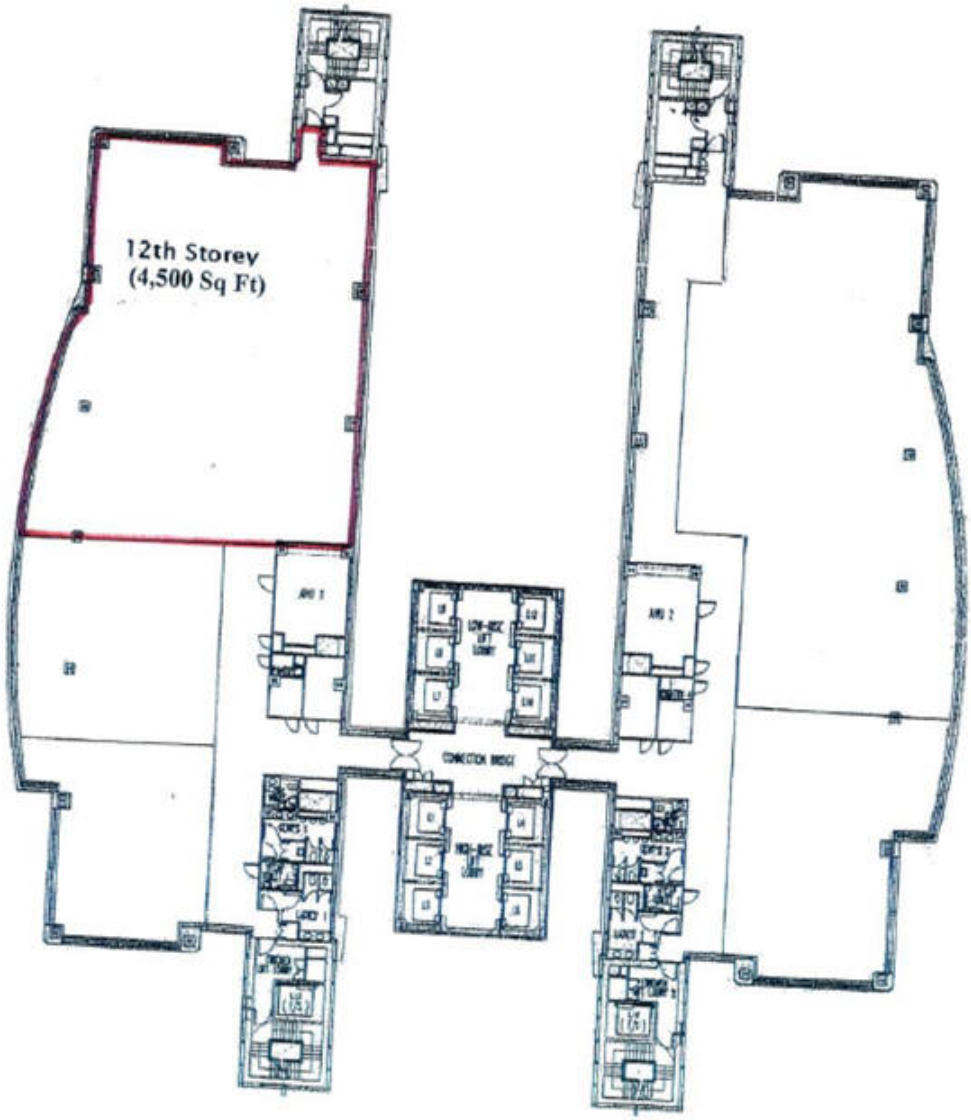
I/We, **Aslan Pharmaceuticals Pte.Ltd**. ("the Tenant"), hereby confirm our acceptance of the above principal terms and conditions. Enclosed are (i) a cheque or Banker's Guarantee of **S$94,500.00** being the 3 months' Security Deposit, (ii) a cheque of **S$33,705.00** being the 1 month's advance rent (inclusive of GST); (iii) a cheque of **S$4,536.00** being the stamp duty payable; and (iv)a cheque of **S$3,376.39** being the legal fee payable. We agree that the Security Deposit is non-refundable in the event we fail to execute the Tenancy Agreement within 14 days upon receipt of the same.

/s/ Carl Aslan Jason Morton Eirth
Authorised Signatory / Company's Stamp
For and on behalf of
**M/s Aslan Pharmaceuticals Pte.Ltd.**
Name: **Mr. Carl Aslan Jason Morton Eirth**
Designation: **Chief Executive officer**
Date:15 July 2016

ASLAN PHARMACEUTICALS PTE. LTD.

Kirai Asarpota
Head of Finance
ASLAN Pharmaceuticals

UE SQUARE OFFICE TOWER
FLOOR PLAN




N

UE SQUARE
83 CLEMENCEAU AVE
SINGAPORE 239920

12th Storey

United Engineers Limited

Dated

25 July 2016

**UNITED ENGINEERS LIMITED**

and

**ASLAN PHARMACEUTICALS PTE. LTD.**

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**TENANCY AGREEMENT**
**in respect of Unit #12-03**
**83, Clemenceau Avenue**
**UE SQUARE**
**SINGAPORE 239920**

---

**KHATTARWONG LLP**
**ADVOCATES & SOLICITORS**
**SINGAPORE**

Our Ref: SES nsa KW00800.0159

## TABLE OF CONTENTS

**This Agreement** is made on **between:**

**(1)** **UNITED ENGINEERS LIMITED**, a company incorporated in Singapore and having its registered office at 12 Ang Mo Kio Street 64 #01-01 UE BizHub CENTRAL Singapore 569088 (the "**Landlord**" ); and

**(2)** the party named in **paragraph 1 of Appendix A** (the "**Tenant**").

**NOW THIS TENANCY AGREEMENT WITNESSETH** as follows:

**1. INTERPRETATION**

**1.1 Definitions**

In this Tenancy Agreement the following words and expressions shall where the context so admits have the following meanings:

"**Bare and Original Condition**" means the state and condition of the Demised Premises as at the Possession Date (hereinafter defined).

"**Building**" means all that portion of UE Square comprising the integrated office and retail premises known as 83 Clemenceau Avenue (of which the Demised Premises forms part).

"**Common Property**" means all the parts of UE Square as are not comprised in any strata lot shown on the strata title plan lodged with the Registrar of Titles in respect of UE Square and includes all apparatus and installations and other areas within the definition of common property as defined in the Land Titles (Strata) Act (Cap 158).

"**Conducting Media**" means drains, sewers, conduits flues, gutters, gullies, channels, ducts, shafts, watercourses, pipes, cables, wires and mains or any of them.

"**Demised Premises**" means the premises described in **paragraph 2 of Appendix A**; the boundaries and location of which are edged in red in the attached plan(s) marked **Annexure A**, excluding the exterior faces of external walls, the exterior faces of boundary walls and the roof.

"**Fitting Out Deposit**" means the sum deposited by the Tenant with the Landlord pursuant to Clause 2.4.2 and specified in paragraph 6 of Appendix A.

"**Fitting Out Period**" means the period referred to in Clause 2.3.1 and specified in **paragraph 5(b) of Appendix A**.

"**Floor Area**" means the area of the floor of the Demised Premises measured to include (i) half the thickness of the walls/partitions/glass (as the case may be) which form the external boundary of the Demised Premises and (ii) the area occupied by all pillars, columns, mullions, internal partitions and projections within the Demised Premises and **shall be accepted by the parties as the area specified in paragraph 3 of Appendix A**.

"**Interest**" means interest at the rate as determined by the Landlord to be 4% above the prime lending rate of Oversea-Chinese Banking Corporation Limited prevailing from time to time, calculated on a daily basis and on the basis of a three hundred and sixty-five (365) days year (as well after as before judgment).

"**Landlord**" includes its successors, assigns and all persons entitled to the reversion immediately expectant upon the determination of this tenancy.

"**Management Corporation**" means the management corporation established for UE Square under the Land Titles (Strata) Act (Cap 158).

"**Payment Date**" means the date(s) as defined in **paragraph 1.1 of Schedule 4**.

"**permitted occupier**" means any person on the Demised Premises expressly or by implication with the Tenant's authority.

"**person**" includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of a state (in each case, whether or not having separate legal personality).

"**Possession Date**" means the date referred to in Clause 2.2.1 and specified in **paragraph 5(a) of Appendix A**.

"**Project Consultants**" means the architect, mechanical and electrical engineer, structural engineer and other professional consultants engaged by the Landlord for UE Square.

"**Rent**" means the rent payable by the Tenant in accordance with **Schedule 4**.

"**Requisite Consents**" means those permissions, consents, approvals, licences, certificates and permits in legally effectual form as may be necessary to lawfully commence, carry out and complete the Tenant's Works.

"**Security Deposit**" means the sum deposited by the Tenant with the Landlord pursuant to Clause 3.3 and specified in **paragraph 7 of Appendix A**.

"**Service Charge**" means the charges payable by the Tenant to the Landlord in accordance with **Schedule 5**.

"**Tenancy Agreement**" includes any instruments supplemental to it.

"**Tenant**" includes, if the Tenant is an individual, his personal representatives and permitted assigns, or if the Tenant is a company, its successors in title.

"**Tenant's Fitting Out Brief**" means the printed guidelines prepared by the Landlord and furnished to the Tenant, including any amendments or modifications thereto from time to time.

"**Tenant's Works**" means such fitting out or other works as the Tenant may require to carry out in connection with the use and enjoyment of the Demised Premises as office premises.

"**Term**" means the tenancy term granted by this Tenancy Agreement and specified in **paragraph 4 of Appendix A**.

"**UE Square**" means the complex known or to be known as UE SQUARE, or such other name as may be decided by the Landlord in its absolute discretion with the approval of the relevant authority comprising office commercial and residential premises erected on Government Resurvey Lots 109 and 172, all Town Subdivision 9 and bounded by Clemenceau Avenue, River Valley Road and Mohammed Sultan Road, of which the Demised Premises forms part and refers to each and every part of UE Square and the car parks, service, loading and any other areas the use and enjoyment of which is appurtenant to UE Square.

**1.2 Interpretation of restrictions on the Tenant**

In any case where the Tenant is placed under a restriction by reason of the covenants and conditions contained in this Tenancy Agreement, the restriction shall be deemed to include the obligation on the Tenant not to permit or allow the infringement of the restriction by any person claiming rights to use, enjoy or visit the Demised Premises through, under or in trust for the Tenant.

**1.3 Schedules and Annexures**

The Schedules and Annexures hereto shall be taken, read and construed as parts of this Tenancy Agreement and the provisions thereof shall have the same force and effect as if expressly set out in the body of this Tenancy Agreement.

**1.4 Clause and paragraph headings**

**1.4.1** The clause and paragraph headings in this Tenancy Agreement are for ease of reference only and shall not be taken into account in the construction or interpretation of any covenant, condition or proviso to which they refer.

**1.4.2** References in this Tenancy Agreement to a clause, Appendix, Schedule or Annexure are references where the context so admits to a clause, Appendix, Schedule or Annexure in this Tenancy Agreement. References in a clause to a paragraph are (unless the context otherwise requires) references to a paragraph of that clause, and references in a Schedule to a paragraph are (unless the context otherwise requires) references to a paragraph of that Schedule.

**1.5 Singular and plural meanings**

Words in this Tenancy Agreement importing the singular meaning shall where the context so admits include the plural meaning and vice versa.

**1.6 Statutes and statutory instruments**

References in this Tenancy Agreement to any statutes or statutory instruments shall include and refer to any statute or statutory instrument amending, consolidating or replacing them respectively from time to time and for the time being in force.

**1.7 Gender**

Words in this Tenancy Agreement for the masculine gender shall include the feminine and neuter genders and vice versa and words denoting natural persons shall include corporations and firms and all such words shall be construed interchangeably in that manner.

**1.8 Joint and several obligations**

Where two or more persons are included in the term "**Tenant**" all covenants, agreements, terms, conditions and restrictions shall be binding on and applicable to them jointly and each of them severally, and shall also be binding on and applicable to their personal representatives and permitted assigns respectively jointly and severally.

## 2. THE DEMISE, POSSESSION AND FITTING-OUT

### 2.1 The Demise

**2.1.1** In consideration of the Rent, Service Charge and the covenants reserved by and contained in this Tenancy Agreement, the Landlord HEREBY LETS to the Tenant ALL the Demised Premises TOGETHER WITH the rights set out in **Schedule 1** but EXCEPTING AND RESERVING to the Landlord the rights as stated in **Schedule 2**, TO HOLD the Demised Premises unto the Tenant for the Term specified in **paragraph 4 of Appendix A**, the Tenant paying to the Landlord during the Term the Rent in accordance with the provisions in **Schedule 4** and the Service Charge in accordance with the provisions in **Schedule 5**.

### 2.2 Possession

**2.2.1** The Landlord shall give and the Tenant shall take possession of the Demised Premises on the date specified in **paragraph 5(a) of Appendix A** (the "**Possession Date**" ), subject to the Tenant having paid to the Landlord prior to the taking of possession, the following sums: (i) the Security Deposit, (ii) the Fitting Out Deposit, (iii) one (1) month's Rent and Service Charge in advance, (iv) the Landlord's legal fees in connection with the preparation and completion of this Tenancy Agreement and all stamp duty and all other disbursements and out-of-pocket expenses in respect thereof.

**2.2.2** Any delay in the Tenant taking possession of the Demised Premises shall not be a ground for postponing the commencement of the Fitting Out Period.

### 2.3 Fitting Out Period

**2.3.1** The Landlord agrees to grant the Tenant a fitting out period (free of Rent and Service Charge) for the duration specified in **paragraph 5(b) of Appendix A** (the "**Fitting Out Period**" ) commencing from the Possession Date, for the Tenant to carry out the Tenant's Work which shall be completed by the Tenant within the Fitting Out Period.

**2.3.2** In the event that the Term of the tenancy is prematurely terminated by the Tenant for any reason whatsoever or the same is determined by the Landlord in consequence of the Tenant's breach of the terms and conditions applicable thereto, then without prejudice to any other rights and remedies of the Landlord, the Tenant shall compensate and pay to the Landlord, on demand, an amount for the entire duration of the Fitting Out Period equivalent to the Rent and Service Charge which would have been payable if the Fitting Out Period constituted part of the Term of the tenancy.

### 2.4 Tenant's Works

**2.4.1** Subject always to and in accordance with the provisions set out in **Schedule 3**, the Tenant shall carry out at the Tenant's own costs and expense all works required by the Tenant for purpose of fitting out the Demised Premises and shall comply with and observe the guidelines, terms and conditions set out in the Tenant's Fitting Out Brief.

**2.4.2** The Tenant shall deposit with the Landlord the sum specified in paragraph 6 of **Appendix A** (the "**Fitting Out Deposit**") at the time and in the manner and in accordance with the provisions set out in **paragraph 6 in Schedule 3**.

## 3. TENANT'S COVENANTS

The Tenant covenants with the Landlord as follows:

### 3.1 Rent, Service Charge, Interest and Taxes

**3.1.1** To pay the Rent at the times and in the manner specified in **Schedule 4** and the Service Charge at the times and in the manner specified in **Schedule 5**.

**3.1.2** To pay such Interest as may become due on the Rent, Service Charge and other monies due under this Tenancy Agreement in accordance with the provisions set out in **paragraph 1 in Schedule 6**.

**3.1.3** To pay any applicable goods and services tax, imposition, duty and levy whatsoever (hereinafter collectively called "**Taxes**") which may be imposed on the Rent, Service Charge and other sums payable under this Tenancy Agreement or to reimburse the Landlord for the payment of such Taxes in accordance with the provisions set out in **paragraph 2 of Schedule 6**.

**3.1.4** To pay any increase in property tax attributable to the Demised Premises in accordance with the provisions set out in **paragraph 3 of Schedule 6**.

### 3.2 Utilities

To pay all charges including any taxes now or in the future imposed by the supplier designated by the Landlord ("**Designated Supplier**") or other appropriate authority in respect of electricity and/or chilled water supplied to all air-conditioning fan coil units and any other services supplied and metered separately to the Demised Premises which shall be consumed or supplied on or to the Demised Premises, and to pay all necessary hire charges for any equipment or appliances supplied to the Tenant irrespective of whether the same was installed by the Landlord or the Tenant and whether the electricity and/or chilled water is supplied during or beyond the operating hours of the Building and whether invoiced by a Designated Supplier, other supplier or by the Landlord, and all transmission and transportation charges payable in connection with the supply of such electricity and/or chilled water supplied to all air-conditioning fan coil units and any other services supplied to the Demised Premises in accordance with the provisions set out in **Schedule 7**.

### 3.3 Security Deposit

To deposit with the Landlord the sum specified in **paragraph 7 of Appendix A** equivalent to three (3) months' Rent and Service Charge for the Demised Premises (the "**Security Deposit**") in accordance with the provisions set out in **Schedule 8**.

### 3.4 Insurance

To take out and keep in force a comprehensive public liability insurance policy of an adequate amount in accordance with the provisions set out in **Schedule 9**.

**3.5 Repair**

At all times to repair and to keep the Demised Premises in a clean and good state of tenantable repair and condition (fair wear and tear excepted) in accordance with the provisions set out in **Schedule 10**.

**3.6 Alterations**

Not to make any alterations or additions to or affecting the structure or exterior of the Demised Premises or the appearance of the Demised Premises as seen from the exterior except in accordance with the provisions set out in **Schedule 11**.

**3.7 Landlord's right of inspection and right of repair**

Subject always to and in accordance with the provisions set out in **Schedule 12**, to permit the Landlord and its servants or agents at all reasonable times **and by prior appointment with the Tenant** to enter into, inspect and view the Demised Premises and examine their condition and also to take a schedule of fixtures in the Demised Premises.

**3.8 Landlord's right of entry for repairs etc**

**3.8.1** Subject always to and in accordance with the provisions set out in **Schedule 13**, to permit the Landlord and the agents, workmen and others employed by the Landlord or by the Management Corporation or by the other tenants or occupiers of the Building to enter upon the Demised Premises for the purposes set out in **Schedule 13**.

**3.8.2** To furnish to the Landlord the names, addresses and contact telephone numbers of at least two management staff ("**Designated Employees**") who are in the employ of the Tenant and who would retain possession of the keys to the Demised Premises on a twenty-four (24) hour basis, for the purposes and in accordance with the provisions of **Schedule 13**.

**3.9 Yield up in repair at the end of the Term**

At the expiration or earlier determination of the Term to quietly yield up the Demised Premises in the **Bare and Original Condition** (fair wear and tear excepted) in accordance with the provisions set out in **Schedule 14**.

**3.10 User**

**3.10.1** Not to use the Demised Premises otherwise than as office premises.

**3.10.2** The Tenant shall not use or permit the use of the Demised Premises or any part thereof:

(i) otherwise than for the purposes specified in Clause 3.10.1;

(ii) for any purpose otherwise than in accordance with the permitted use approved by the relevant government authorities; and

(iii) for the purposes specified in Clause 3.10.1, until and unless all necessary approvals, consents, licences and permits shall have been obtained from the relevant government authorities and such approvals, consents, licences and permits remain valid and subsisting.

**3.11 Covenants affecting use of Demised Premises and Building**

The Tenant hereby covenants to perform and observe at all times the covenants affecting the use of the Demised Premises and the Building set out in **Schedule 15**.

**3.12 Advertisements and signs**

**3.12.1** Not without the Landlord's prior written consent (**which approval shall not be unreasonably withheld**) to place or display on the exterior of the Demised Premises or on the windows or inside the Demised Premises so as to be visible from the exterior of the Demised Premises any name, writing, notice, sign, illuminated sign, display of lights, placard, poster, sticker or advertisement other than:

(i) the name of the Tenant signwritten on the entrance doors of the Demised Premises in a style and manner previously approved in writing by the Landlord; and

(ii) the name of the Tenant displayed on the indicator board in the entrance lobby in the Building.

**3.12.2** If any name, writing, notice, sign, placard, poster, sticker or advertisement shall be placed or displayed in breach of these provisions, to permit the Landlord to enter the Demised Premises and remove such name, writing, notice, sign, placard, poster, sticker or advertisement and to pay to the Landlord on demand the expense of so doing.

**3.13 Car parks**

**3.13.1** The Landlord may prohibit the Tenant and its officers and employees from parking in UE Square other than in designated parking areas and the Tenant shall at all times notify the Landlord of the vehicle registration numbers of all vehicles currently owned or used by the Tenant, its officers and employees, such notification to be made initially within fourteen (14) days after the Tenant takes possession of the Demised Premises and thereafter within fourteen (14) days after a change occurs.

**3.13.2** The Tenant shall pay parking charges as may be levied or revised from time to time by the Landlord or the Management Corporation, for the use of car park lots in UE Square.

**3.13.3** The Tenant, its officers and employees shall comply with all rules and regulations imposed from time to time by the Landlord or the Management Corporation for the management and operation of the car parks within UE Square.

**3.13.4** Subject to availability, the Landlord shall allocate to the Tenant two (2) season car park lots (not in specifically designated location) at prevailing charges payable monthly in advance for the use by the Tenant, its officer and employees and the Landlord reserves the right to revise the allocation of number of carpark lots from time to time.

**3.14 Compliance with statutes etc**

**3.14.1** Except where such liability may be expressly within the Landlord's covenants contained in this Tenancy Agreement, to comply in all respects with the provisions of all statutes and regulations for the time being in force and requirements of any competent authority relating to the Demised Premises or anything done in or upon the Demised Premises by the Tenant and to indemnify the Landlord against all actions, proceedings, claims or demands which may be brought or made by reason of such statutes, regulations or requirements or any default in compliance with them.

**3.14.2** In particular but without prejudice to the generality of Clause 3.14.1:

(i) to comply with all requirements under any present or future Act of Parliament, order, by-law or regulation as to the use or occupation of or otherwise concerning the Demised Premises;

(ii) to execute with all due diligence all works to the Demised Premises for which the Tenant is liable in accordance with Clauses 3.14.1 and 3.14.2 and of which the Landlord has given notice to the Tenant; and

(iii) if the Tenant shall not comply with Clause 3.14.2(i) and (ii) to permit the Landlord to enter the Demised Premises to carry out such works and to pay to the Landlord on demand the expense of so doing (including surveyors' and other professional advisers' fees) together with Interest from the date of expenditure until payment by the Tenant to the Landlord (such monies to be recoverable as if they were rent in arrears).

**3.15 Notices 'to let'**

Within six (6) months before the expiration or earlier determination of the Term:

**3.15.1** to permit the Landlord or its agents to fix upon the Demised Premises a notice board for reletting the Demised Premises; and

**3.15.2** to permit all persons authorised by the Landlord or its agents to view without interruption the Demised Premises at reasonable hours **and by prior appointment with the Tenant** in connection with any such reletting.

**3.16 Indemnity by Tenant**

To indemnify and keep indemnified the Landlord from and against:

**3.16.1** all claims, demands, writs, summonses, actions, suits, proceedings, judgements, orders, decrees, damages, costs, losses and expenses of any nature whatsoever which the Landlord may suffer or incur in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrences in, upon or at the Demised Premises or the use of the Demised Premises or any part thereof by the Tenant or by any of the Tenant's employees, independent contractors, agents or any permitted occupier; and

**3.16.2** all loss and damage to the Demised Premises, the Building or UE Square and to all property therein caused directly or indirectly by the Tenant or the Tenant's employees, independent contractors, agents or any permitted occupier and in particular but without limiting the generality of the foregoing caused directly or indirectly by the use or misuse, waste or abuse of water, gas or electricity or faulty fittings or fixtures.

**3.17 Assignment and subletting**

**3.17.1** Not to transfer, assign, sublet, mortgage or encumber this tenancy or the Demised Premises or any part thereof.

**3.17.2** Not to licence, part with or share possession or occupation of the whole or any part of the Demised Premises or grant to third parties any rights over the Demised Premises.

**3.17.3** For the purposes hereof where the Tenant is a company, any amalgamation and/or reconstruction effected by the Tenant or any change in the majority or controlling shareholders of the Tenant shall be deemed an assignment of this tenancy.

**3.17.4** In the event the Tenant makes a request to transfer, assign, sublet, mortgage or encumber this tenancy or the Demised Premises or any part thereof or to licence, part with or share possession or occupation of the whole or any part of the Demised Premises or grant to third parties any rights over the Demised Premises, such request shall be accompanied by a sum of Dollard Five Hundred $500.00 in payment of the Landlord's administrative costs in processing every application made by the Tenant whether or not such consent or approval shall be granted or given.

**3.17.5** The Landlord shall be entitled at its absolute discretion to impose such terms and conditions as it may think fit, as a condition of its consent, including but not limited to the requirement for the Tenant to pay to the Landlord such amount or amounts as may be stipulated by the Landlord, whether such amount is calculated by reference to the difference between:

(i) the amounts payable to the Tenant by its sub-tenant in respect of the premises proposed to be sublet; and

(ii) the Rent and Service Charge payable to the Landlord by the Tenant apportioned to the premises proposed to be sublet,

or otherwise, and payment of any legal costs and fees, stamp duty and all other disbursements and out-of-pocket expenses that may be incurred. The provisions of Section 17 of the Conveyancing And Law of Property Act (Cap 61) shall not apply to this Tenancy Agreement.

**3.17.6** A consent granted by the Landlord shall not constitute a waiver of the requirement for the Landlord's consent to any subsequent transfer, assignment, subletting, licensing, grant of possession, mortgage or encumbrance of this tenancy or the Demised Premises or any part thereof.

**3.18 No registration of tenancy**

Not to register this tenancy at the Singapore Land Authority, whether before or during the continuance of the Term. The Tenant shall not be entitled to require the Landlord to subdivide the Building or any part thereof or to do any act or thing which could result in the Landlord being required to subdivide the Building or any part thereof.

**3.19 Confidentiality**

**3.19.1** The Tenant undertakes to the Landlord that it shall not (and shall procure its advisers, agents, officers and employees not to), without prior written consent of the Landlord, disclose to any person any of the terms or conditions of this Tenancy Agreement at any time during or after the Term unless:

(i) any such disclosure is required pursuant to (i) any applicable laws or any requirement of any competent governmental or statutory authority, or (ii) rules or regulations of any relevant regulatory, administrative or supervisory body (including without limitation, any relevant stock exchange or securities council), or (iii) any legal process issued by any court or tribunal whether in Singapore or elsewhere; or

(ii) the Tenant can reasonably demonstrate that information relating to such term or conditions of this Tenancy Agreement is, in whole or in part in the public domain, other than by reason of any wilful or negligent act or omission of the Tenant, whereupon, to the extent that it is public, this obligation shall cease.

**3.20 Personal Data Protection**

**3.20.1** Without prejudice to Clause 3.19, the Landlord or any of its authorised persons may at any time during the course of the Term collect, use and disclose, as the Landlord reasonably regards to be necessary, such information or personal data about the Tenant to current or future related corporations of the Landlord or legal and financial institutions in connection with the purposes set out in the Landlord's Data Protection Policy as of the date of this Tenancy Agreement (available at: www.uel.com.sg/UELDPP.pdf) ("UEL DPP") or in accordance with applicable law.

**3.20.2** Where the information collected relates to personal data of the Tenant or any of its authorised representatives, the Tenant agrees, represents, warrants and undertakes that it has consented to the collection, use, disclosure and/or processing of its personal data by the Landlord and the Landlord's authorised persons in connection with the purposes set out in the UEL DPP or in accordance with applicable law.

**3.20.3** The Landlord undertakes that it shall take all reasonable measures to ensure that any personal data of the Tenant which is held by the Landlord pursuant to this Tenancy Agreement is protected against loss, unauthorised access, use, modification, disclosure or other misuse in accordance with the procedures set out in Schedule 1 of the Personal Data Protection Act 2012 (the "PDPA"), and that only authorised personnel will have access to the personal data.

## 4. LANDLORD'S COVENANTS

The Landlord covenants with the Tenant as follows:

### 4.1 Quiet enjoyment

That the Tenant paying the Rent and Service Charge and performing the Tenant's covenants reserved by and contained in this Tenancy Agreement may lawfully and peaceably hold and enjoy the Demised Premises throughout the Term without any interruption by the Landlord or by any person lawfully claiming through, under or in trust for the Landlord.

### 4.2 Property tax

To pay the property tax levied or charged upon the Demised Premises subject to the Tenant's payment of its portion of the property tax as provided in Clause 3.1.4 of this Tenancy Agreement.

### 4.3 Management of the Building

**4.3.1** Subject always to the provisions of Clauses 5.1 and 5.2 hereof and (in the event the Building is at anytime hereafter strata subdivided, then) until the management and operation of the Building is transferred to the Management Corporation:

(i) to keep the roof and the main drains and main pipes (which serve two or more units in the Building), all external walls and all common parts of the Building including entrances, car parks, staircases, pavements, landings, corridors and passages, sewers, cables and lifts in good and tenantable condition and repair (fair wear and tear excepted);

(ii) to provide:

(a) air-conditioning services during the hours of 8.00 a.m. to 6.00 p.m. on weekdays and 8.00 a.m. to 1.30 p.m. on Saturdays (Sundays and public holidays excepted) Provided Always that air-conditioning services may at the request of the Tenant be extended by the Landlord (but without any obligation so to do) beyond the hours hereinbefore defined and in such an event the Tenant shall bear and pay to the Landlord on demand the prevailing charges charged by the Landlord for such extension;

(b) lift services during the hours of 7.00 a.m. to 7.00 p.m. on weekdays and 7.00 a.m. to 1.30 p.m. on Saturdays (Sundays and public holidays excepted) Provided Always that at least one lift servicing each band of the Building will remain operational on a twenty-four (24) hour basis;

(c) electricity for the lighting of the passages, corridors, staircases, water-closets and other common parts of the Building; and

(d) water for the common water-closets and toilet facilities in the Building.

(iii) to keep the stairs, passages, corridors, common water-closets, lifts and other common parts of the Building well and sufficiently cleaned and lighted and to engage security services for the Building (but not so as to render the Landlord liable for any loss sustained by the Tenant through the neglect, default, negligence or misconduct of any watchman or watchmen employed by the Landlord in connection with the provision of the said security services); and

(iv) to insure and keep insured the Building (excluding fittings and fixtures installed by the Tenant) against damage by fire and such other risks as the Landlord may deem fit.

**4.3.2** Maintenance of toilets and common areas

Notwithstanding anything herein contained, in the event that the Demised Premises consists of one whole wing of the floor, the Tenant shall be responsible at its own costs and expenses for the maintenance and repair of the toilets and common areas (including but not limited to the pantry areas) serving exclusively the Demised Premises (hereinafter referred to as "**Exclusive Use Common Areas**").

## 5. LANDLORD NOT LIABLE

### 5.1 No claim by Tenant

Notwithstanding anything herein contained the Landlord shall not be liable to the Tenant, nor shall the Tenant have any claim against the Landlord in respect of:

**5.1.1** any failure or inability of or delay by the Landlord in fulfilling any of its obligations under this Tenancy Agreement or any interruption in any of the services mentioned in Clause 4.3.1 by reason of necessary repair or maintenance of any installations or apparatus or damage thereto or destruction thereof or by reason of mechanical or other defect or breakdown or by reason of any circumstances beyond the Landlord's control (including but not limited to fire, flood, act of God, escape of water, riot, civil commotion, curfew, emergency, labour disputes or shortage of manpower, fuel, materials, electricity or water); or

**5.1.2** any act, omission, default, misconduct or negligence of any porter, attendant or other servant or employee, independent contractor or agent of the Landlord in or about the performance or purported performance of any duty relating to the provision of the services or any of them as mentioned in Clause 4.3.1; or

**5.1.3** any act, omission, default, misconduct or negligence of any contractor nominated or approved by the Landlord pursuant to **paragraph 5 of Schedule 11** and **paragraph 4 of Schedule 14**, and any such contractor appointed by the Tenant shall not be deemed to be an agent or employee of the Landlord; or

**5.1.4** any damage, injury or loss arising out of the leakage, breakage or defect of the piping, wiring, sprinkler system or other apparatus of the Landlord in or about UE Square and/or the structure of UE Square; or

**5.1.5** any damage, injury or loss caused by other tenants or persons in UE Square; or

**5.1.6** any damage, injury or loss arising from or in connection with the use of the car parks in UE Square.

Clauses 5.1.1, 5.1.4, 5.1.5 and 5.1.6 of this Clause 5.1 shall apply for a case of negligence as well as to any other cause(s) howsoever arising.

**5.2 Transfer to Management Corporation**

In the event UE Square is at any time hereafter strata subdivided, then after the transfer of the management and operation of UE Square to the Management Corporation, the provision of services mentioned in Clause 4.3.1 (insofar as those services which are hereafter provided by the Management Corporation) shall cease to be the obligation or responsibility of the Landlord.

**5.3 Accidents**

**5.3.1** The Landlord shall not be responsible to the Tenant or to the Tenant's employees, independent contractors, agents, invitees, licensees nor to any other persons for any:

(i) accident, happening or injury suffered in the Demised Premises or UE Square; or

(ii) damage to or loss of any goods or property sustained in UE Square (whether or not due to the negligence or misconduct of any security guards or the failure of any security system for which the Landlord is in any way responsible); or

(iii) act, omission, default, misconduct or negligence of any employee of the Landlord or any person acting under such employee in respect of the Demised Premises, the Building or UE Square,

howsoever occurring.

**6. PROVISOS**

The parties agree to the following provisos:

**6.1 Proviso for re-entry**

**6.1.1** If and whenever during the Term:

(i) any or any part of the Rent or Service Charge payable under this Tenancy Agreement shall be unpaid for fourteen (14) days after any of the days when they become due for payment (whether or not they shall have been formally demanded); or

(ii) the Tenant shall at any time fail or neglect to perform or observe any of the covenants, conditions or provisions contained in this Tenancy Agreement to be performed or observed by the Tenant and (where such breach is capable of remedy) fail to remedy such breach within fourteen (14) days after receipt of written notice from the Landlord; or

(iii) any distress or execution is levied on the Tenant's goods and is not discharged within seven (7) days of such levy; or

(iv) an event of insolvency shall occur in relation to the Tenant,

it shall be lawful for the Landlord or any person or persons duly authorised by the Landlord for that purpose to re-enter the Demised Premises (or any part thereof in the name of the whole) at any time (and even if any previous right of re-entry has been waived) and to repossess the Demised Premises and the Term hereby created and this Tenancy Agreement shall absolutely cease and determine.

**6.1.2** Re-entry in exercise of the rights contained in Clause 6.1.1 shall be without prejudice to any rights or remedies of the Landlord in respect of any breach of any of the covenants by the Tenant contained in this Tenancy Agreement (including the breach in respect of which the re-entry is made).

**6.1.3** Without prejudice to any other rights or remedies of the Landlord, the Tenant shall indemnify the Landlord from and against all costs, loss and damages, including but not limited to the loss of Rent and Service Charge (payable by the Tenant had the Term been completed) and all costs and expenses incurred in any re-letting or attempted re-letting of the Demised Premises, suffered by the Landlord consequential upon the Landlord exercising its rights of re-entry.

**6.1.4** The expression "**an event of insolvency**" in Clause 6.1.1 includes (in relation to a company or other corporation which is the Tenant) inability of the company to pay its debts, entry into liquidation either compulsory or voluntary (except for the purpose of amalgamation or reconstruction which has been previously approved by the Landlord), the passing of a resolution for winding up, the making of a proposal to the company and its creditors for a composition in satisfaction of its debts or a scheme of arrangement of its affairs, the application to the court for the appointment of a judicial manager or the appointment of a receiver or judicial manager and (in relation to an individual who is the Tenant) insolvency or inability to pay or having no reasonable prospect of being able to pay his debts as they fall due, any step being taken or the presentation of a bankruptcy petition for the bankruptcy of the Tenant, the making of a proposal to his creditors for a composition in satisfaction of his debts or a scheme of arrangement of his affairs or the appointment of a receiver in respect of his property.

**6.2 Power for Landlord to deal with adjoining property and the Demised Premises**

**6.2.1** The Landlord may deal as it may think fit with other property belonging to the Landlord adjoining or nearby and to erect or suffer to be erected on such property any buildings whatsoever whether or not such buildings shall affect or diminish the light or air which may now or at any time be enjoyed by the Tenant in respect of the Demised Premises.

**6.2.2** The Landlord shall have the right at all times without obtaining any consent from or making any arrangement with the Tenant to alter, reconstruct or modify in any way whatsoever or change the use of the parts of UE Square (including all fixtures, fittings, machinery and apparatus therein and thereto), which are defined to be common property under the Land Titles (Strata) Act (Cap 158) or if UE Square is not subdivided and registered under the Land Titles (Strata) Act (Cap 158), those parts of UE Square which would reasonably be deemed to be common property if UE Square had been subdivided and registered under that Act, so long as proper means of access to and egress from the Demised Premises are afforded and essential services are maintained at all times.

**6.2.3** Nothing contained in this Tenancy Agreement shall confer on the Tenant any right to enforce any covenant or agreement relating to other parts of UE Square demised by the Landlord to others, or limit or affect the right of the Landlord in respect of any such other premises to deal with the same and impose and vary such terms and conditions in respect thereof in any manner as the Landlord may think fit.

**6.3 Removal of property after determination of Term**

**6.3.1** If at such time as the Tenant has vacated the Demised Premises after the determination of this Tenancy Agreement, any property of the Tenant shall remain in or on the Demised Premises and the Tenant shall fail to remove the same within seven (7) days after being requested by the Landlord so to do by a notice to that effect then the Landlord may as the agent of the Tenant sell such property and shall then apply the proceeds of sale after deducting the costs and expenses of removal, storage and sale reasonably and properly incurred by the Landlord towards discharging any sum due from the Tenant to the Landlord under the provisions of this Tenancy Agreement and shall hold the balance thereof (if any) to the order of the Tenant.

**6.3.2** The Tenant shall indemnify the Landlord against any liability incurred by it to any third party whose property shall have been sold by the Landlord in the bona fide mistaken belief (which shall be presumed unless the contrary be proved) that such property belonged to the Tenant and was liable to be dealt with as such pursuant to this clause.

**6.4 Notices, consents and approvals**

**6.4.1** All notices, demands or other communications required or permitted to be given or made hereunder shall be in writing and shall be sufficiently served on the Tenant if the same is addressed to the Tenant and sent by telefax to the Tenant's-telefax number at the Demised Premises or delivered personally or sent by registered post to the Demised Premises. All notices, demands or other communications shall be sufficiently served on the Landlord if the same is addressed to the Landlord and sent by registered post to the registered office for the time being of the Landlord. Any such notice, demand or communication shall be deemed to have been duly served immediately (if given or made by facsimile or delivered by hand) or (if given or made by letter) twenty-four (24) hours after posting and in proving the same it shall be sufficient to show that the envelope containing the same was duly addressed, stamped and posted.

**6.4.2** Any consent or approval under this Tenancy Agreement shall be required to be obtained before the act or event to which it applies is carried out or done and shall be effective only when the consent or approval is given in writing.

**6.4.3** In any case where pursuant to this Tenancy Agreement or to any rule or regulation made hereunder, the doing or executing of any act, matter or thing by the Tenant is dependent upon the consent or approval of the Landlord, such consent or approval may be given or withheld by the Landlord in its absolute discretion

(unless otherwise herein provided) and upon or subject to such terms, conditions, requirements or stipulations as the Landlord may think fit. The Tenant shall pay to the Landlord upon demand any reasonable fees payable by the Landlord to consultants engaged by the Landlord to examine or advise upon application made by the Tenant (including any plans, specifications or material submitted therewith) for any consent or approval of the Landlord required pursuant to this Tenancy Agreement or any rule or regulation made hereunder, and also any other moneys or expenses properly incurred in connection therewith.

**6.5 Payments**

**6.5.1** The Tenant covenants to pay to the Landlord promptly as and when due without demand, deduction, set-off, or counterclaim whatsoever all sums due and payable by the Tenant to the Landlord pursuant to the provisions of this Tenancy Agreement, and covenants not to exercise or seek to exercise any right or claim to withhold rent or any right or claim to legal or equitable set-off.

**6.6 Determination of Floor Area**

The Landlord and the Tenant agree that the Floor Area specified in paragraph 3 of Appendix A shall be final, conclusive and binding upon the parties.

**6.7 Costs and expenses**

The Tenant agrees to pay the Landlord (on a full indemnity basis):

**6.7.1** all the Landlord's legal costs and fees incurred in connection with the preparation and completion of this Tenancy Agreement, the stamp duty and all other disbursements and out-of-pocket expenses in respect thereof;

**6.7.2** all the Landlord's legal costs and expenses incurred in enforcing any provision of this Tenancy Agreement in the event of a breach by the Tenant;

**6.7.3** all the Landlord's costs and expenses (including solicitors' costs and costs of the Landlord's architect, engineer or surveyor where applicable) incurred in connection with every application made by the Tenant for any consent or approval required under this Tenancy Agreement whether or not such consent or approval shall be granted or given; and

**6.7.4** all goods and services, value added and other duties or taxes payable on the costs, fees and expenses referred to in Clauses 6.7.1, 6.7.2 and 6.7.3 above.

**6.8 Untenantability**

If the Demised Premises or any part thereof shall at any time be damaged or destroyed by fire so as to render the Demised Premises unfit for occupation and use (except where such damage or destruction has been caused by, or the policy or policies of insurance in relation to the Demised Premises shall have been vitiated or payment of the policy monies withheld in whole or in part in consequence of, some act or default of the Tenant, its servants, independent contractors, agents or any permitted occupier) the Rent and Service Charge reserved by this Tenancy Agreement or a fair and just proportion thereof according to the nature and extent of the damage sustained shall be suspended until the Demised Premises shall again be rendered fit for occupation and use, and any dispute

concerning this clause shall be determined by a single arbitrator in accordance with the Arbitration Act (Cap 10) Provided Always that the Landlord may in its absolute discretion decide that the Demised Premises are so badly damaged that it will demolish and rebuild the Demised Premises instead of repairing the same and in any such event either party may within ninety (90) days after such damage has been sustained give written notice to the other terminating this tenancy and thereupon this Tenancy Agreement shall terminate and the Tenant shall (if still in occupation) vacate the Demised Premises without compensation from the Landlord, but without prejudice to any right of action of the Landlord in respect of any antecedent breaches of any covenant contained in this Tenancy Agreement on the part of the Tenant to be observed or performed.

**6.9 No waiver**

Knowledge or acquiescence by the Landlord of any breach by the Tenant of any of the covenants, conditions or obligations herein contained shall not operate or be deemed to operate as a waiver of such covenants, conditions or obligations and any consent or waiver of the Landlord shall only be effective if given in writing. No consent or waiver expressed or implied by the Landlord to or of any breach of any covenant, condition or obligation of the Tenant shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or obligation and shall not prejudice in any way the rights, powers and remedies of the Landlord herein contained. Any acceptance by the Landlord of Rent or Service Charge reserved by this Tenancy Agreement or any other sum payable under this Tenancy Agreement shall not be deemed to operate as a waiver by the Landlord of any right to proceed against the Tenant in respect of a breach by the Tenant of any of the Tenant's obligations hereunder.

**6.10 No representations**

The Landlord shall not be bound by any representations or promises with respect to the Building and its appurtenances, or in respect of the Demised Premises, except as expressly set forth in this Tenancy Agreement with the object and intention that the whole of the agreement between the Landlord and the Tenant shall be set forth herein, and shall in no way be modified by any discussions which may have preceded the signing of this Tenancy Agreement.

**6.11 Name of UE Square**

**6.11.1** The Landlord shall have the right at all times without obtaining any consent from the Tenant, to change the name or number by which UE Square is known.

**6.11.2** The Tenant shall not use the name of UE Square as part of its trade or business name, other than as its address and place of business. The Tenant shall not use a name, trade mark or service mark which includes the name of UE Square or any derivative name sounding similar thereto for any purpose whatsoever.

**6.12 Rules and regulations**

**6.12.1** The Landlord shall have the right at any time and from time to time to make, add to, amend, cancel or suspend such rules and regulations in respect of UE Square as in the judgment of the Landlord may from time to time be required for the management, safety, care or cleanliness of UE Square or for the preservation of

good order therein or for the convenience of tenants and all such rules and regulations shall bind the Tenant, the Tenant's employees, independent contractors, agents, visitors, invitees, licensees and permitted occupiers upon and from the date on which notice in writing thereof is given to the Tenant by the Landlord Provided Always that the Landlord shall not be liable to the Tenant in any way for violation of the rules and regulations by any person including other tenants of UE Square or the employees, independent contractors, agents, visitors, invitees or licensees of any such persons. If there shall be any inconsistency between the provisions of this Tenancy Agreement and the provisions of such rules and regulations then the provisions of this Tenancy Agreement shall prevail.

**6.13 Holding over**

**6.13.1** If the Tenant continues to occupy the Demised Premises beyond the expiration or determination of the Term or fails to deliver vacant possession thereof to the Landlord after the expiration or determination of the Term, with the Landlord's acquiescence and without any express agreement between the Landlord and the Tenant, the Tenant shall do so as a monthly tenant and shall pay to the Landlord for every month of such holding over double the amount of Rent and Service Charge **or prevailing market rent whichever is higher** and such holding over shall not constitute a renewal of this tenancy and there shall be no renewal of this tenancy by operation of law or pursuant to the provisions of this Tenancy Agreement. During the period of any such holding over all other provisions of this Tenancy Agreement shall be and remain in effect. Such tenancy shall be determinable at any time by either the Landlord or the Tenant giving to the other one month's notice in writing. The provisions herein shall not be construed as the Landlord's consent for the Tenant to hold over after the expiration or determination of the Term.

**6.14 Changes to Plans**

**6.14.1** The Landlord may from time to time amend the development plans and/or the building plans for the Building and UE Square, such amendment may include but is not limited to, altering the floor plans of the Building and UE Square changing the arrangement, location or converting the use of entrances, passageways, doors, doorways, partitions, corridors, landings, staircases, lobbies, lifts, toilets, car parks or other public parts of the Building and UE Square, changing any services, apparatus and other common facilities serving the Building and UE Square, increasing the total net floor area approved for office· or other use within the Building and UE Square, or enlarging, varying or reducing the size of the units in the Building and UE Square provided that any such amendment shall be approved by the relevant government authorities.

**6.15 Landlord's right to assign**

**6.15.1** The Landlord shall be entitled to assign all its rights and interest and obligations under this Tenancy Agreement.

**6.15.2** The Tenant hereby expressly acknowledges and undertakes to the Landlord that where the Landlord assigns its rights and interest in under or arising out of this Tenancy Agreement (including the transfer of the Security Deposit), the Tenant

shall be deemed to have consented to such assignment and shall accept any assignee of the Landlord as its new landlord and the Tenant shall release the Landlord from all its obligations under the provisions of this Tenancy Agreement and in particular the obligation of the Landlord to refund the Security Deposit and any other sums pursuant to the terms of this Tenancy Agreement. Where required by the Landlord, the Tenant shall enter into and execute any novation agreement or assignment entered into or to be entered into by the Landlord and its assignee, such novation agreement or assignment to be prepared by and at the expense of the Landlord.

**6.16 Severance**

**6.16.1** The illegality, invalidity or unenforceability of any provision of this Tenancy Agreement under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

**6.17 Governing law and submission to jurisdiction**

**6.17.1** This Tenancy Agreement shall be construed and governed by the laws of Singapore.

**6.17.2** In relation to any legal action or proceeding arising out of or in connection with this Tenancy Agreement ("**Proceedings**"), the parties hereby irrevocably submit to the jurisdiction of the courts of Singapore and waive any objection to Proceedings in any such court on the grounds of venue or on the grounds that the Proceedings have been brought in an inconvenient forum. Such submission shall not affect the right of any party to take Proceedings in any other jurisdiction nor shall the taking of Proceedings in any jurisdiction preclude any party from taking Proceedings in any other jurisdiction.

**6.17.3** The Tenant hereby irrevocably agrees and accepts that any writ, statement of claim or other legal process in relation to any Proceedings against the Tenant, shall be sufficiently served on the Tenant if sent by registered post to the Demised Premises.

**6.17.4** Nothing shall affect the right to serve process in any other manner permitted by law.

**6.18 Provisions for Renewal**

If the Tenant wishes to be granted a further tenancy term for the Demised Premises, the provisions set out in **Schedule 16** shall apply.

**6.19 Contracts (Rights of Third Parties) Act (Cap 53B)**

A person who is not a party to this Tenancy Agreement has no right under the Contracts (Rights of Third Parties) Act (Cap 53B) to enforce any term of this Tenancy Agreement.

## Appendix A

1. **Tenant**

| | | |
|---|---|---|
| Name | : | Aslan Pharmaceuticals Pte. Ltd. |
| Company registration no. | : | 201007695N |
| Country of incorporation | : | Singapore |
| Address of registered office | : | 10A Bukit Pasoh Road<br>Singapore 08924 |
| Telefax number | : | |
| Telephone number | : | |

2. **Demised Premises**

All the premises on the 12th storey of the Building known as 83 Clemenceau Avenue, UE Square, Singapore and numbered #12-03.

3. **Floor Area**

4,500 square feet

4. **Term of tenancy**

Three (3) years from 1 October 2016 to 30 September 2019

5. **Possession Date**

1 September 2016

6. **Fitting Out Deposit**

$3,000.00

7. **Security Deposit**

$94,500.00

8. **Monthly Rent rate**

$5.95 per square foot

9. **Initial monthly Rent**

$26,775.00 per month

10. **Monthly Service Charge rate**

(subject to increase)

$1.05 per square foot

11. **Initial monthly Service Charge**

$4,725.00 per month

12. **Renewed Term**

Three (3) years

TOGETHER WITH (but to the exclusion of all other liberties, easements, rights or advantages):

| | |
|---|---|
| FIRSTLY | the right for the Tenant and others duly authorised by the Tenant of ingress to and egress from the Demised Premises in over and along all the usual entrances, landings, lifts, lobbies and corridors leading thereto in common with the Landlord and all others so authorised by the Landlord and all other persons entitled thereto, such right being only so far as is necessary and as the Landlord can lawfully grant; and |
| SECONDLY | the right for the Tenant and others duly authorised by the Tenant to use such sufficient toilet facilities in the Building as shall be designated from time to time in writing by the Landlord but such user shall be in common with the Landlord and all others so authorised by the Landlord and all other persons entitled thereto. |
| THIRDLY | the right for the Tenant and all others authorised by the Tenant to enjoy the benefit of the air-conditioning system installed in the Building (subject to the obligation of the Tenant to connect the same to the air-conditioning distributing ducts installed or to be installed by the Tenant in the Demised Premises) in common with the Landlord and all other persons entitled thereto. |

**Schedule 2**

EXCEPTING AND RESERVING unto the Landlord:

1. the right to the free and uninterrupted passage and running of water, gas, sewage, electricity, air-conditioning services, telephone and other services or supplies from and to other parts of the Building and/or UE Square in and through the Conducting Media and ancillary apparatus which now are or may during the Term be in, on, under or over the Demised Premises.

2. all rights of entry upon the Demised Premises referred to in Clause 3 of this Tenancy Agreement.

**Schedule 3**

**Tenant's Works**

(referred to in Clause 2.4)

1. The Tenant shall accept the Demised Premises in its existing state and condition with full knowledge of all structural, mechanical and electrical specifications of the Demised Premises as set out in the Tenant's Fitting Out Brief. The Tenant shall carry out at the Tenant's own costs and expenses all works required by the Tenant for purpose of fitting out the Demised Premises and shall comply with and observe the guidelines, terms and conditions set out in the Tenant's Fitting Out Brief.

2. Prior to the commencement of the Tenant's Works, the Tenant shall at its own costs and expense engage consultants approved by the Landlord, to consider and approve the layout and specifications for the Tenant's Works and to assist the Tenant in the submission of plans and the supervision of all works to be carried out by the Tenant. The fees and expenses of such consultants shall be borne by the Tenant and forthwith paid by the Tenant when they fall due. Such consultants shall not be deemed to be agents or employees of the Landlord and the Tenant shall not have any claim whatsoever against the Landlord in respect of any act, omission, default, misconduct or negligence of any such consultants.

3. Prior to the commencement of the Tenant's Works, the Tenant shall at its own costs and expense submit to the Landlord for approval all plans, layouts, designs, drawings and specifications for the Tenant's Works (including details of proposed materials to be used for the Tenant's Works) before the Tenant submits the same to any relevant government authority for the approval. The Landlord shall be entitled to engage its architect, engineer or other consultant(s) for the purpose of considering the plans, specifications and materials relating to the Tenant's Works, the fees and expenses of such architect, engineer and consultant(s) incurred in connection therewith shall be borne by the Tenant and forthwith paid by the Tenant to the Landlord on demand. If the Tenant fails to make payment on demand, the Landlord may effect payment of the same and all expenses so incurred by the Landlord together with Interest from the date of expenditure until the date they are paid by the Tenant to the Landlord, shall be recoverable from the Tenant as if they were rent in arrears. All drawings and plans in respect of the Tenant's Works (including drawings and plans in respect of mechanical and electrical and structural works) which have been submitted to and approved by the Landlord, shall be endorsed by the Project Consultants, for purpose of submission to the relevant government authorities for approval.

4. The Tenant shall apply for and obtain the Requisite Consents in relation to the Tenant's Works.

5. Prior to the commencement of the Tenant's Works, the Tenant shall effect and maintain at the Tenant's cost and expense, a comprehensive public liability policy, covering the period from the date of commencement of the Tenant's Works to the date of completion of the Tenant's Works for an adequate amount or such higher amounts as the Landlord may from time to time prescribe with a reputable insurance company naming the Landlord, the Landlord's main contractor and the Tenant's fitting out contractor as the co-insured parties for their respective rights and interests.

6. Prior to the Tenant taking possession of the Demised Premises, the Tenant shall deposit with the Landlord the Fitting Out Deposit as security for (i) the Tenant making good to the satisfaction of the Landlord all damage to the Demised Premises and the Building resulting from the execution of the Tenant's Works, (ii) the Tenant removing all waste materials and debris arising from non-structural addition and alteration works relating to the Tenant's Works and (iii) the due compliance by the Tenant of the provisions of the Tenant's Fitting Out Brief.

   If the Tenant fails to comply with the provisions of (i), (ii) and (iii) above, the Landlord may effect the necessary works, and apply the Fitting Out Deposit in meeting the costs and expenses so incurred by the Landlord, and the Fitting Out Deposit subject to any deductions to be made by the Landlord pursuant to the provisions herein, shall be repaid to the Tenant, without interest, within one (1) month after the proper completion of the Tenant's Works (in compliance with the provisions of this **Schedule 3** and the making good of the damage (if any) to the Demised Premises and the Building as aforesaid.

   If the Fitting Out Deposit shall be insufficient, the Tenant shall pay to the Landlord on demand all expenses so incurred with Interest from the date of expenditure until the date they are paid by the Tenant to the Landlord (such expenses and Interest to be recoverable as if they were rent in arrears).

7. Following the approval of the Landlord and the obtaining of the Requisite Consents, the Tenant shall proceed to carry out and complete the Tenant's Works to the Landlord's reasonable satisfaction:

   (a) in accordance with the plans, layouts, designs, drawings, specifications and other details approved by the Landlord;

   (b) with good and suitable materials of a type, quality, colour and standard approved by the Landlord;

   (c) in a good and workmanlike manner in accordance with good building practice and in compliance with the reasonable requirements of the Landlord's architect;

   (d) so as not to cause any obstruction or interference with the works of other tenants or occupiers of the Building;

   (e) in accordance with the Requisite Consents in relation to the Tenant's Works;

   (f) in accordance with the guidelines, terms and conditions set out in the Tenant's Fitting Out Brief;

   (g) in compliance with all statutes, orders and regulations made under codes of practice of local authorities and competent authorities affecting the Tenant's Works and/or the Demised Premises; and

   (h) with due diligence.

8. The Tenant's Works shall only be carried out:

(a) in the case of any installation works in respect of the airconditioning and mechanical ventilation system, fire-fighting and alarm system, telecommunication, security and closed-circuit television system and building automation system and any electrical engineering works, by specialist contractors nominated by the Landlord and separately employed by the Tenant in relation to the Tenant's Works; and

(b) in all other cases by engineers or contractors appointed by the Tenant with the approval of the Landlord.

A contractor or engineer nominated or approved by the Landlord pursuant to this paragraph shall not be deemed to be an agent or employee of the Landlord and the Tenant shall not have any claim whatsoever against the Landlord in respect of any act, omission, default, misconduct or negligence of any such contractor.

9. The Tenant shall permit the Landlord and its servants or agents at all reasonable times to enter into and inspect and view the Demised Premises to ascertain if the Tenant's Works are or have been carried out in accordance with the provisions of this **Schedule 3**. If any breach of the provisions of this **Schedule 3** shall be found upon such inspection, the Tenant shall upon notice by the Landlord take all necessary steps for the rectification of such breach.

10. The Tenant shall indemnify and keep the Landlord indemnified against:

(a) the breach, non-observance or non-performance of any Requisite Consents in relation to the Tenant's Works; and

(b) any claims, demands or proceedings brought by any adjoining owner, tenant, occupier or member of the public arising out of or incidental to the execution of the Tenant's Works.

11. Any delay in carrying out or completing the Tenant's Works shall not be a ground for postponing the commencement of the Term or payment of Rent, Service Charge and other moneys reserved by this Tenancy Agreement, or relieve in any way the Tenant from the performance and observance of the obligations, covenants, conditions and provisions on the Tenant's part to be performed and observed.

**Schedule 4**

**Rent Provisions**

1. **Tenant's liability to pay Rent**

1.1 The Tenant shall pay to the Landlord the monthly Rent by equal monthly payments in advance on the first day of each month (each a "**Payment Date**").

1.2 On or before the date of commencement of the Term, the Tenant shall pay to the Landlord the pro-rated Rent calculated from the date of commencement of the Term up to and including the day immediately preceding the next Payment Date, and thereafter the Rent shall be paid on each succeeding Payment Date.

2. **Calculation of Rent**

2.1 The Rent payable in respect of the Demised Premises shall be calculated at the monthly rate set out in **paragraph 8 of Appendix A**, on the basis of the Floor Area of the Demised Premises. The initial monthly Rent payable by the Tenant calculated on the Floor Area set out in **paragraph 3 of Appendix A** shall be the sum set out in **paragraph 9 of Appendix A**.

**3. Rent Free Period**

**The Landlord shall grant the Tenant a Rent Free Period (free of Gross Rent) of 0.5 month for the period from 15 September 2019 to 30 September 2019.**

**3.2 In the event that the Term of the Tenancy is prematurely terminated by the Tenant for any reason whatsoever or the same is determined by the Landlord in consequence of the Tenant's breach of the terms and conditions applicable thereto, the Tenant shall compensate and pay to the Landlord on demand an amount calculated at the monthly rate equivalent to the Rent and Service Charge which could have been applicable if the rent free period constituted part of the Term of the Tenancy and for the entire duration of the Rent Free Period. This right is only enforceable in the event of non performance under the Tenancy Agreement whereby the Landlord is, per the Tenancy Agreement, permitted to terminate the Tenancy.**

## Schedule 5

## Service Charge Provisions

1. **Tenant's liability to pay Service Charge**

1.1 The Tenant shall pay to the Landlord during the Term, a monthly Service Charge based on the monthly Service Charge rate set out in **paragraph 10 of Appendix A** (subject to increase as hereinafter provided) calculated on the Floor Area of the Demised Premises, such Service Charge shall be paid on the same days upon which Rent is payable under this Tenancy Agreement. The monthly Service Charge payable by the Tenant in respect of the Demised Premises calculated on the Floor Area set out in **paragraph 3 of Appendix A** shall be the sum set out in **paragraph 11 of Appendix A**.

1.2 The Service Charge shall be calculated on the basis of the Apportioned Outgoings (as defined in paragraph 2).

1.3 The Landlord shall be entitled at any time and from time to time to increase the Service Charge by written notice in that behalf subject to the provisions hereinafter contained.

1.4 If (i) the actual amount of Total Outgoings (as defined in paragraph 2) incurred during the first year of the Term exceeds the amount of Total Outgoings on which the monthly Service Charge rate set out in **paragraph 10 of Appendix A** was calculated or (ii) in respect of any subsequent period of the Term, there is any increase in the Total Outgoings, the Tenant shall be liable to pay an increased amount of Service Charge in each and every month. A written notice by the Landlord (the "**Landlord's Notice**") stating the amount of the increase in the Service Charge on a per square foot basis and the effective date of such increase shall be accepted by the Tenant as conclusive and binding of the matters so stated. The increase in Service Charge shall be chargeable and payable with effect from the date specified in the Landlord's Notice. If there shall be any additional Service Charge payable from a date prior to the issuance of the Landlord's Notice, the aggregate amount of such additional Service Charge shall be payable by the Tenant forthwith upon the issuance of the Landlord's Notice. Additional Service Charge for the period after the issuance of the Landlord's Notice shall be added to the prevailing Service Charge and such aggregate sum shall be and remain the Service Charge until further increased by the Landlord under this paragraph 1.

1.5 The provisions of this **Schedule 5** shall continue to apply notwithstanding the expiry or earlier determination of the Term but only in respect of the tenancy period down to the expiry or earlier determination of this Tenancy Agreement.

2. **Definitions**

For purpose of this **Schedule 5**:

"**Apportioned Outgoings**" means the portion of Total Outgoings as shall be Attributable to the Demised Premises.

"**Attributable to the Demised Premises**" means the proportion of the Total Outgoings determined by the Landlord by reference to the proportion which the Floor Area of the Demised Premises bears towards the Net Area of the Office Premises.

"**Net Area of the Office Premises**" means the total area of rentable floor space designated from time to time for use as office space (including any floor space occupied by the Landlord) in the Building as determined by the Landlord.

"**Office Premises**" means all that portion of the Building comprising the strata lot areas approved for use as office and other approved uses situate on the 2nd storey to the 18th storey (both inclusive) of the Building.

"**Office Premises Common Area**" means those parts of the Office Premises which the Landlord provides or designates from time to time for the general use by or for the benefit of the Tenant and its permitted occupiers in common with other tenants, occupiers and users of the Office Premises, including but not limited to common passages, corridors, staircases, waterclosets and the areas used to contain or for the maintenance of the plant, equipment and installations necessary for the provision of the Office Premises Common Facilities.

"**Office Premises Common Facilities**" means the mechanical and electrical services and other amenities, facilities and services provided by the Landlord from time to time to serve the Demised Premises and the Office Premises and for general use by or for the benefit of the Tenant and its permitted occupiers in common with other tenants, occupiers and users of the Office Premises.

"**Total Outgoings**" means the total sum of all outgoings, costs and expenses of the Landlord assessed or assessable, charged or chargeable, paid or payable or otherwise incurred by the Landlord in relation to the following matters:

(a) The expenses paid or payable by the Landlord as contributions towards the costs of services and maintenance for the Common Property of UE Square and attributable to the Office Premises, such contributions to include all amounts paid or payable to the Management Corporation in respect of amounts levied from time to time by Management Corporation on the Office Premises;

(b) all amounts payable in respect of insurances (including but not limited to fire, public liability, theft/ burglary, workmen's compensation, common law liability insurance) relating to the Office Premises Common Area and Office Premises Common Facilities and all the plant, machinery, equipment, installations, appliances and all Conducting Media in relation thereto, and for the personnel engaged in the operation and maintenance of the Office Premises Common Area and Office Premises Common Facilities;

(c) all costs in relation to the management, control and administration of the Office Premises Common Area and Office Premises Common Facilities including without limitation the employment or engagement of engineers, maintenance staff, security staff and other personnel engaged in the operation and maintenance of the Office Premises Common Area and Office Premises Common Facilities;

(d) the cost of uniforms, salaries, wages, bonuses, allowances and other emoluments, remuneration and benefits of all personnel engaged in the operation and maintenance of the Office Premises Common Area and Office Premises Common Facilities as well as payroll tax and Central Provident Fund and other statutory contributions or charges in respect thereof;

(e) all costs of operating and maintaining the Office Premises Common Area and Office Premises Common Facilities and supplying all services from time to time provided for tenants and occupiers of the Office Premises including but without limiting the generality of the foregoing, repairs and replacements, repainting and redecorating of the Office Premises Common Area and Office Premises Common Facilities and the maintenance, repair, renovation, renewal, replacement and amortization of all lifts, escalators, air-conditioning plant, fire and security alarm systems, fire-fighting equipment and other plant and equipment required in connection with any of such services, and all Conducting Media in relation thereto;

(f) all costs and charges (including taxes thereon) for lighting, power, air-conditioning and ventilation incurred in connection with the Office Premises Common Area and Office Premises Common Facilities;

(g) all charges for and costs in relation to the supply of water to and removal of all sewerage, waste and other garbage from the Office Premises Common Area and the Office Premises Common Facilities;

(h) all costs and charges for the cleaning of the Office Premises Common Area;

(i) all expenses of supplying toilet paper, soap and other toilet requisites in the water-closets, washrooms and lavatories of the Office Premises Common Area;

(j) all fees and charges of managing agents employed for the carrying out and provision of services for the Office Premises Common Area and Office Premises Common Facilities;

(k) all fees and charges of auditors, accountants and other professional consultants engaged in connection with the provision of services for the Office Premises Common Area and Office Premises Common Facilities;

(I) all sums in each year as may be set aside as a fund to cover repairs, renovations, painting, replacements and maintenance of a substantial but infrequent or irregular nature of the Office Premises Common Area and Office Premises Common Facilities and the plant machinery and electrical and other apparatus therein including lifts, air-conditioning plant, fire fighting, security, alarm equipment and all Conducting Media in relation thereto; and

(m) all items of expenditure incurred in carrying out all other works, acts, matters or things or in providing all such other services or amenities of any kind whatsoever in relation to the Office Premises Common Area and Office Premises Common Facilities.

3. **No objection by Tenant**

The Tenant shall not be entitled to object to any item of costs comprised in the Total Outgoings or otherwise on any of the following grounds:

3.1 the inclusion in a subsequent accounting period of any item of expenditure or liability omitted from the computation of the Total Outgoings for any preceding accounting period; or

3.2 the exclusion in a subsequent accounting period of any item of expenditure or liability included in the computation of the Total Outgoings for any preceding accounting period; or

3.3 an item of charge included at a proper cost might have been provided or performed at a lower cost; or

3.4 disagreement with any estimate of future expenditure for which the Landlord requires to make provision so long as the Landlord has acted in good faith and in the absence of manifest error; or

3.5 the manner in which the Landlord exercises its discretion in providing services so long as the Landlord acts in good faith and in accordance with the principles of good estate management; or

3.6 the employment of managing agents to carry out and provide on the Landlord's behalf services under this Schedule 5.

4. **After taking over by Management Corporation**

4.1 After the taking over by the Management Corporation of the maintenance and management of the Building and UE Square, the Service Charge payable by the Tenant shall be all such contributions (and any revisions thereof) as may from time to time be levied in respect of the Demised Premises by the Management Corporation for the purpose of the Management Corporation meeting actual or expected liabilities referred to in section 48(1)(m) and (n) of the Land Titles (Strata) Act (Cap 158) and for the establishment of the management fund and sinking fund referred to in section 48(1)(o) and (p) of the said Act. If the Demised Premises comprise part of a subsidiary strata lot, the aforesaid contributions levied by the Management Corporation in respect of that subsidiary strata lot, shall be pro-rated according to the strata title area of the relevant subsidiary strata lot, and the Tenant shall pay a proportionate part of such contributions attributable to the Demised Premises, the Landlord's statement of such apportionment to be conclusive as to the amount thereof.

4.2 The Service Charge referred to in paragraph 4.1, shall be paid to the Landlord on the same days upon which Rent is payable under this Tenancy Agreement.

4.3 The provisions of this paragraph 4 shall continue to apply notwithstanding the expiry or earlier determination of this tenancy.

**5. Maintenance and cleaning of toilets and common areas (only applicable for full wing Tenant)**

Notwithstanding anything herein contained, in the event that the Demised Premises consists of one (1) whole wing of the floor, the Tenant shall be responsible at its own costs and expenses for the maintenance and cleaning of the Exclusive Use Common Areas.

**Schedule 6**

(referred to in Clauses 3.1.2, 3.1.3 and 3.1.4)

**Interest and Taxes**

The Tenant hereby covenants with the Landlord as follows:

1. If the whole or any part of the Rent, Service Charge and other monies due under this Tenancy Agreement shall remain unpaid fourteen (14) days after they shall have become due (whether such Rent, Service Charge or other monies be formally demanded or not) or if the Landlord shall refuse to accept the tender of Rent, Service Charge or other monies because of a breach of covenant on the part of the Tenant, then to pay Interest on such Rent (or part thereof), Service Charge (or part thereof) and other monies, as from the date they became due until they are paid to (or accepted by) the Landlord and such Interest shall be recoverable from the Tenant as if they were rent in arrears. Nothing in this paragraph 1 shall entitle the Tenant to withhold or delay any payment of the Rent or Service Charge or any other sum due under this Tenancy Agreement after the date upon which they fall due or in any way prejudice affect or derogate from the rights of the Landlord in relation to such non-payment including (but without prejudice to the generality of the above) under the proviso for re-entry contained in this Tenancy Agreement.

2. It is hereby agreed that the Rent, Service Charge and other sums payable by the Tenant under this Tenancy Agreement (hereinafter collectively called "**the Agreed Sum**") shall, as between the Landlord and the Tenant be exclusive of any applicable goods and services tax, imposition, duty and levy whatsoever (hereinafter collectively called "**Taxes**") which may from time to time be imposed or charged before, on or after the commencement of this tenancy (including any subsequent revisions thereto) by any government, quasi-government, statutory or tax authority (hereinafter called "**the Authorities**") on or calculated by reference to the amount of the Agreed Sum (or any part thereof) and the Tenant shall pay all such Taxes or reimburse the Landlord for the payment of such Taxes, as the case may be, in such manner and within such period as to comply or enable the Landlord to comply with any applicable orders or directives of the Authorities and the relevant laws and regulations.

   If the Landlord or the Tenant (or any person on their behalf) is required by law to make any deduction or withholding or to make any payment, on account of such Taxes, from or calculated by reference to the Agreed Sum (or any part thereof):

   (a) The Tenant shall pay, without requiring any notice from the Landlord all such Taxes for its own account (if the liability to pay is imposed on the Tenant), or on behalf of and in the name of the Landlord (if the liability to pay is imposed on the Landlord) on receipt of written notice from the Landlord, and without prejudice to the foregoing, if the law requires the Landlord to collect and to account for such Taxes, the Tenant shall pay such Taxes to the Landlord (which shall be in addition to the Tenant's liability to pay the Agreed Sum) on receipt of written notice from the Landlord; and

   (b) the sum payable by the Tenant in respect of which the relevant deduction, withholding or payment is required on account of such Taxes, shall be increased

to the extent necessary to ensure that after the making of the aforesaid deduction, withholding or payment, the Landlord or any person or persons to whom such sum is to be paid, receives on due date and retains (free from any liability in respect of any such deduction, withholding or Taxes) a net sum equal to what would have been received and retained had no such deduction, withholding or payment been required or made.

The rights of the Landlord under this paragraph 2 shall be in addition and without prejudice to any other rights or powers of the Landlord under any applicable order or directive of the Authorities or any relevant law or regulation, to recover from the Tenant the amount of such Taxes which may be or is to be paid or borne by the Landlord.

The Tenant shall indemnify and hold harmless the Landlord from any losses, damages, claims, demands, proceedings, actions, costs, expenses, interests and penalties suffered or incurred by the Landlord arising from any claim, demand, proceeding or action that may be made or instituted by the Authorities in respect of such Taxes and resulting from any failure or delay on the part of the Tenant in the payment and discharge of any such Taxes. Without prejudice to any of the foregoing provisions, the Tenant shall pay and reimburse the Landlord for all goods and services tax which may from time to time be imposed or charged before, on or after the commencement of this tenancy in respect of any supply which may be determined by the Comptroller of Goods and Services Tax under or in connection with the occupation and tenancy of the Demised Premises and the Tenant shall indemnify and hold harmless the Landlord from any losses, damages, claims, demands, proceedings, actions, costs, expenses, interests and penalties suffered or incurred by the Landlord in respect of any such goods and services tax.

3. Property tax imposed or levied by the relevant government authority on the Demised Premises or on the Building or on UE Square (or any part thereof) and as may be apportioned by the Landlord or attributable to the Demised Premises shall be paid as follows:

(a) The Landlord shall for the duration of the Term pay property tax levied on or attributable to the Demised Premises but such payment by the Landlord in respect of the Demised Premises shall not exceed property tax calculated (i) on the basis of an annual value equivalent to the annual Rent payable under this Tenancy Agreement; and (ii) at the property tax rate applicable on first assessment of property tax. In the event that any additional property tax levied by the relevant authority on or apportioned by the Landlord as attributable to the Demised Premises is payable on account of (i) the annual value assessed by the relevant government authority or apportioned by the Landlord as attributable to the Demised Premises (whether on first assessment by the relevant government authority or as increased from time to time whether retrospective or otherwise) which is in excess of the annual value calculated as aforesaid by reference to the annual Rent; and/or (ii) an increase in the property tax rate above the rate applicable on first assessment, such additional property tax shall be borne and paid by the Tenant to the Landlord on demand.

(b) In the event that the Landlord grants to the Tenant rent free periods or rent rebates during the Term, the provisions of this paragraph 3(b) shall apply in

substitution of the provisions of paragraph 3(a). The Landlord shall for the duration of the Term pay property tax levied on or attributable to the Demised Premises but such payment by the Landlord in respect of the Demised Premises shall not exceed property tax calculated (i) on the basis of an annual value equivalent to the annual Effective Rent payable by the Tenant under this Tenancy Agreement; and (ii) at the property tax rate applicable on first assessment of property tax. In the event that any additional property tax levied by the relevant authority on or apportioned by the Landlord as attributable to the Demised Premises is payable on account of (i) the annual value assessed by the relevant government authority or apportioned by the Landlord as attributable to the Demised Premises (whether on first assessment by the relevant government authority or as increased from time to time whether retrospective or otherwise) which is in excess of the annual value calculated as aforesaid by reference to the annual Effective Rent; and/or (ii) an increase in the property tax rate above the rate applicable on first assessment, such additional property tax shall be borne and paid by the Tenant to the Landlord on demand.

For purpose of this paragraph, the annual "**Effective Rent**" is calculated by using the following formula:

annual

$$\text{Effective Rent} = \frac{A}{B} \times 12$$

where

A : refers to the total aggregate amount of Rent payable by the Tenant for the entire duration of the Term, taking into account the rent free periods and rent rebates.

B : the number of months comprising the entire duration of the Term.

(c) The Tenant's liability in respect of any additional property tax referable to the Term of this tenancy, pursuant to the provisions of this **paragraph 3 of Schedule 6** shall not be affected by the expiry or earlier determination of this tenancy.

(d) Objection to any assessment of annual value or imposition of property tax on the Demised Premises during the Term may be made only by the Landlord in its sole discretion.

**Schedule 7**

(referred to in Clause 3.2)

**Utilities**

The Tenant hereby covenants with the Landlord as follows:

1. (a) To pay all charges including any taxes now or in the future imposed by the Designated Supplier or other appropriate authority in respect of electricity and/or chilled water supplied to all air-conditioning fan coil units and any other services supplied and metered separately to the Demised Premises which shall be consumed or supplied on or to the Demised Premises, and to pay all necessary hire charges for any equipment or appliances supplied to the Tenant irrespective of whether the same was installed by the Landlord or the Tenant and whether the electricity and/or chilled water is supplied during or beyond the operating hours of the Building and whether invoiced by a Designated Supplier, other supplier or by the Landlord, and all transmission and transportation charges payable in connection with the supply of such electricity and/or chilled water supplied to all air-conditioning fan coil units and any other services supplied.

   (b) To arrange at its own costs and expenses for the installation and testing of the meter and any equipment or appliances required to separately measure the services supplied to the Demised Premises and for licensed electrical contractors to apply to the Designated Supplier for such installations and testing.

   (c) Without prejudice to the foregoing, in the event of such electricity or other services not being supplied and metered separately to the Demised Premises, to pay to the Landlord a proportionate part of the cost thereof, such cost to be calculated by the Landlord and notified to the Tenant by a statement from the Landlord in writing, such statement to be conclusive as to the amount thereof, and in the event of the Designated Supplier or other equivalent authority responsible for the supply of electricity and any other services supplied and used in the Building increasing the charges therefor, the Tenant shall pay to the Landlord a proportionate part of the increased costs thereof, such costs to be calculated by the Landlord and notified to the Tenant by a statement from the Landlord in writing, such statement to be conclusive as to the amount thereof.

   (d) Where any agreement for the purchase of electricity and/or chilled water supplied to all air-conditioning fan coil units and any other services supplied (whether entered into by the Landlord or the Tenant) Is terminated for reasons not due to the default of the Landlord, the Landlord shall not be liable to compensate the Tenant for any loss or damage occurring to the Tenant as a result of such termination, including any economic loss and/or loss of revenue, profits, business and/or custom.

2. Not to object to any Designated Supplier.

3. Without affecting the provisions of Clause 1 of Schedule 7 above, the Landlord may, at its discretion and on behalf of the tenants of the Building, arrange for the purchase of bulk electricity for the Building from an electricity retailer, in which case, the Tenant must accept the Landlord's choice of electricity retailer, and sign all relevant agreements, consents and/or authorisation forms as may be required by the Landlord for the purpose. If at any time thereafter, the Landlord's arrangement for the purchase of bulk electricity for the Building is terminated for any reason whatsoever, the Landlord shall notify the Tenant in writing of such termination and;

   (a) The Tenant must arrange for and procure its own supply of electricity to the Premises; and

   (b) The Landlord shall not be liable to compensate the Tenant for any loss or damage occurring to the Tenant as a result of such termination, including any economic loss and/or loss of revenue, profits, business and/or customers.

**Schedule 8**

(referred to in Clause 3.3)

**Security Deposit**

The Tenant hereby covenants with the Landlord as follows:

1. The Tenant shall deposit with the Landlord the sum equivalent to three (3) months' Rent and Service Charge for the Demised Premises (the "**Security Deposit**"), which Security Deposit shall be maintained at an amount equivalent to three (3) months' Rent and Service Charge during the Term.

2. The Security Deposit shall be held by the Landlord as security for the due performance and observance by the Tenant of all the covenants and provisions contained in this Tenancy Agreement and as security for any claim by the Landlord at any time against the Tenant in relation to any matter in connection with the Demised Premises whether the tenancy is subsisting or not, and subject to any deductions to be made by the Landlord pursuant to the provisions of this Tenancy Agreement, shall be repaid to the Tenant without interest within one (1) month from the date the Demised Premises duly repaired, cleaned, decorated and reinstated in accordance with the Tenant's covenants in this Tenancy Agreement, are returned to the Landlord.

3. If the Tenant shall commit a breach of any of the provisions of this Tenancy Agreement, the Landlord shall be entitled but not obliged to apply the Security Deposit or any part thereof in or towards payment of moneys outstanding or making good any breach by the Tenant or to deduct from the Security Deposit the loss or expense to the Landlord occasioned by such breach but without prejudice to any other rights or remedies which the Landlord may be entitled. If any part of the Security Deposit shall be applied by the Landlord in accordance herewith, the Tenant shall on demand by the Landlord forthwith deposit with the Landlord the amount set-off by the Landlord from the Security Deposit. Provided Always that no part of the Security Deposit shall without the written consent of the Landlord be set-off by the Tenant against any Rent, Service Charge or other sums owing to the Landlord.

4. If from time to time during the Term, the Rent or Service Charge is increased, the Security Deposit paid by the Tenant to the Landlord shall likewise be increased and the difference shall be paid within fourteen (14) days of the Landlord's notice requiring payment.

**Schedule 9**

(referred to in Clause 3.4)

**Insurance**

The Tenant hereby covenants with the Landlord as follows:

1. At the Tenant's own cost and expense at all times during the Term to take out and keep in force in the joint names of the Landlord and the Tenant for their respective rights and interest a comprehensive public liability insurance policy in an adequate amount or in such higher amounts as the Landlord may from time to time prescribe, in respect of any one occurrence, such policy shall be extended to include the Tenant's legal liability for loss of or damage to the Demised Premises (including all fixtures and fittings therein) and in this regard, the Tenant shall ensure that the relevant exclusion in the said public liability policy relating to the property in the care, custody or control of the Tenant or any servant of the Tenant, be deleted entirely.

2. All policies of insurance required to be effected by the Tenant shall be taken out with a reputable insurance company approved by the Landlord.

3. On written demand at any time by the Landlord, to produce forthwith to the Landlord any policy of insurance which the Tenant is required to effect hereunder and the receipt for the last premium payable in respect of such policy. Provided Always that nothing herein shall render the Landlord liable for the correctness or adequacy of such policies or for ensuring that they comply with all relevant legislation pertaining to insurance.

**Schedule 10**

(referred to in Clause 3.5)

**Repair of Demised Premises**

The Tenant hereby covenants with the Landlord as follows:

1. At all times to repair and to keep in a clean and good state of tenantable repair and condition (fair wear and tear excepted), the Demised Premises including the interior thereof, the flooring, interior plaster or other surface material or rendering on walls and ceilings, fixtures therein, all doors, windows, glass, locks, fastenings, installations and fittings for light and power, the Conducting Media within and serving the Demised Premises, and to make good to the satisfaction of the Landlord any damage or breakage caused to any part of the Demised Premises or to the Landlord's fixtures and fittings therein by the bringing in or removal of the Tenant's goods or effects or resulting from any action or omission of the Tenant, its employees, independent contractors, agents or any permitted occupier.

2. The obligations in this **Schedule 10** extend to all improvements and additions to the Demised Premises and all Landlord's fixtures, fittings and appurtenances of whatever nature affixed or fastened to the Demised Premises.

3. If any damage or injury is caused to the Landlord or to any person whomsoever directly or indirectly on account of the condition of any part of the interior of the Demised Premises (including flooring, walls, ceiling, doors, windows, curtain wall and its related parts including fluorocarbon coating thereon and other fixtures), to be wholly responsible therefor and to fully indemnify the Landlord against all claims, demands, actions and legal proceedings whatsoever made upon the Landlord by any person in respect thereof. In the interpretation and application of the provisions of this **Schedule 10** the decision of the surveyor or architect of the Landlord shall be final and binding upon the Tenant.

**Schedule 11**

(referred to in Clause 3.6)

**Alterations and Additions**

The Tenant hereby covenants with the Landlord as follows:

1. Not to make any alterations or additions to or affecting the structure or exterior of the Demised Premises or the appearance of the Demised Premises as seen from the exterior.

2. Not to paint or make any additions or alterations or exert any force or load on the frame structure and all its related parts or to place or affix any structures or articles or materials thereon which would otherwise render the warranty granted in favour of the Landlord in respect of such roof, walls, floor and structure null and void.

3. Not without the prior written consent of the Landlord to make any other alterations or additions to the Demised Premises. For purpose of seeking the Landlord's consent herein, the Tenant shall submit to the Landlord all plans, layouts, designs, drawings, specifications and details of proposed materials to be used for any proposed alterations and additions. Alterations and additions for purpose of this **Schedule 11** shall include but shall not be limited to works relating to:

   (a) internal partitions, floors and ceilings within the Demised Premises;

   (b) electrical wiring, conduits, light fittings and fixtures;

   (c) air-conditioning installations ducts and vents;

   (d) fire protection devices;

   (e) all plumbing and gas installations, pipes, apparatus, fittings and fixtures; and

   (f) all mechanical and electrical engineering works.

4. The Landlord shall be entitled to engage its architect, engineer or other consultant(s) for the purpose of:

   (i) considering the plans, specifications and materials relating to the proposed alterations or additions; and

   (ii) supervising all works carried out by the Tenant.

   The fees and expenses of such architect, engineer and consultant(s) incurred in connection therewith shall be borne by the Tenant and forthwith paid by the Tenant to the Landlord on demand. If the Tenant fails to make payment on demand, the Landlord may effect payment of the same and all expenses so incurred by the Landlord together with Interest from the date of expenditure until the date they are paid by the Tenant to the Landlord, shall be recoverable from the Tenant as if they were rent in arrears.

5. All alterations and additions to the Demised Premises shall only be carried out:

   (a) in the case of any installation works in respect of the air-conditioning and mechanical ventilation system, fire-fighting and alarm system, telecommunication, security and closed-circuit television system and building automation system and any electrical engineering works, by specialist contractors nominated by the Landlord and separately employed by the Tenant in relation to the Tenant's Works; and

(b) in all other cases by engineers or contractors appointed by the Tenant with the approval of the Landlord.

6. All planning and other consents necessary or required pursuant to the provisions of any statute, rule, order, regulation or by-law for any alteration or addition to the Demised Premises or any part thereof, shall be applied for and obtained by the Tenant at its own cost and expense.

7. The Tenant shall carry out and complete all alterations and additions to the Demised Premises in accordance with plans, layouts, designs, drawings, specifications and using materials approved by the Landlord, in a good and workmanlike manner in accordance with all planning and other consents referred to in paragraph 6, and in compliance with the reasonable requirements of the Landlord's architect.

8. The Tenant shall not install or erect any exterior lighting, shade, canopy or awning or other structure in front of or elsewhere outside the Demised Premises.

**Schedule 12**

(referred to in Clause 3.7)

**Landlord's right of inspection and right of repair**

The Tenant hereby covenants with the Landlord as follows:

1. To permit the Landlord and its servants or agents at all reasonable times **and by prior appointment with the Tenant** to enter into, inspect and view the Demised Premises and examine their condition and also to take a schedule of fixtures in the Demised Premises.

2. If any breach of covenant, defects, disrepair, removal of fixtures or unauthorised alterations or additions shall be found upon such inspection for which the Tenant is liable then upon notice by the Landlord to the Tenant, to execute all repairs, works, replacements or removals required within one (1) month (or sooner if required by the Landlord) after the receipt of such notice, to the reasonable satisfaction of the Landlord or its surveyor.

3. In case of default by the Tenant, it shall be lawful for workmen or agents of the Landlord to enter into the Demised Premises and execute such repairs, works, replacements or removals.

4. To pay to the Landlord on demand all expenses so incurred with Interest from the date of expenditure until the date they are paid by the Tenant to the Landlord (such expenses and Interest to be recoverable as if they were rent in arrears).

**Schedule 13**

(referred to in Clause 3.8)

**Landlord's right of entry for repairs etc**

The Tenant hereby covenants with the Landlord as follows:

1. To permit the Landlord and the agents, workmen and others employed by the Landlord or by the Management Corporation or by the other tenants or occupiers of the Building at all reasonable times during and after normal office hours on weekdays and Saturdays, after giving to the Tenant prior notice (but at anytime in any case which the Landlord or Management Corporation considers an emergency) to enter upon or gain access through the Demised Premises:

   (a) to inspect, cleanse, repair, remove, replace, alter or execute any works whatsoever to or in connection with the Conducting Media and ancillary apparatus, easements or services referred to in **paragraph 1 of Schedule 2**; or

   (b) to effect or carry out any maintenance, repairs, alterations or additions or other works which the Landlord or the Management Corporation may consider necessary or desirable to any part of the Building or to the water, electrical, air-conditioning and other facilities and services of the Building or to the Common Property or any fixtures, fittings or installations comprised in the Common Property; or

   (c) for the purpose of exercising any of the powers and authorities of the Landlord under this Tenancy Agreement; or

   (d) to comply with any obligation of repair, maintenance or renewal affecting the Demised Premises, the Building or the Common Property; or

   (e) to construct, alter, maintain, repair or fix anything or additional thing serving the Building or the adjoining premises or property of the Landlord, and running through or on the Demised Premises; or

   (f) in connection with the development of the remainder of the Building or any adjoining or neighbouring land or premises, including the right to build on or onto or in prolongation of any boundary wall of the Demised Premises;

   without payment of compensation for any nuisance, annoyance, inconvenience or damage caused to the Tenant subject to the Landlord (or other person so entering) exercising such right in a reasonable manner.

2. To furnish to the Landlord the names, addresses and contact telephone numbers of at least two (2) management staff ("**Designated Employees**") who are in the employ of the Tenant and who would retain possession of the keys to the Demised Premises on a twenty-four (24) hour basis, to enable the Landlord to contact such Designated Employees at any time in case of emergency where the Landlord of the Management Corporation requires entry upon or access through the Demised Premises for any of the purposes mentioned in paragraph 1. Such Designated Employees shall forthwith on request of the

Landlord open up the Demised Premises to permit the Landlord or the Management Corporation and their agents and workmen entry upon or access through the Demised Premises for the above mentioned purposes. The Tenant shall ensure that if any of the Designated Employees will be away from Singapore or leaves the employ of the Tenant or will in any circumstances be out of reach, the Tenant shall furnish to the Landlord the name, address and contact telephone number of another employee of the Tenant who will fulfil the role of such Designated Employee. The Tenant shall immediately inform the Landlord of any change of telephone numbers and other particulars of each Designated Employee. In the event that after reasonable attempt, the Landlord is unable to contact the Designated Employees at the telephone numbers furnished to the Landlord, and in any case which the Landlord or the Management Corporation considers an emergency, the Tenant hereby authorises the Landlord to use all reasonable means necessary to force an entry into the Demised Premises, such forceful entry to be conducted under the supervision of the chief security officer or building manager employed for the Building, and the Tenant hereby agrees that the Landlord shall not be liable to the Tenant, nor shall the Tenant have any claim whatsoever against the Landlord in respect of any damage to the Demised Premises to the contents therein or any consequential loss arising from such forceful entry to the Demised Premises.

**Schedule 14**

(referred to in Clause 3.9)

**Yield up in repair at the end of the Term**

The Tenant hereby covenants with the Landlord as follows:

At the expiration or earlier determination of the Term:

1. To surrender to the Landlord all keys giving access to all parts of the Demised Premises irrespective of whether or not the same have been supplied by the Landlord.

2. Quietly to yield up the Demised Premises in the **Bare and Original Condition** (fair wear and tear excepted) to the satisfaction of the Landlord (after removal of all additions and improvements made by the Tenant to the Demised Premises and all fixtures which may be fixed or fastened to or upon the Demised Premises by the Tenant), repaired, cleaned, decorated and kept in accordance with the Tenant's covenants contained in this Tenancy Agreement.

3. To remove from the Demised Premises all additions, improvements, fixtures and fittings installed by the Tenant and all notices, notice boards and signs bearing the name of or otherwise relating to the Tenant (including in this context any persons deriving title to the Demised Premises under the Tenant) or its business.

4. Without prejudice to the generality of the provisions of paragraphs 2 and 3, to reinstate all air-conditioning installations, sprinkler systems and other electrical and electronic installations therein to their bare and original state as at the date the Tenant took possession of the Demised Premises to the satisfaction of the Landlord, such reinstatement to be carried out by a specialist contractor nominated by the Landlord and appointed by the Tenant, under the supervision of the Landlord's architect, engineer or consultant and the Tenant shall pay for all fees of such architect, engineer or consultant. In all other cases, the removal and reinstatement works in respect of the Demised Premises shall be carried out to the satisfaction of the Landlord.

5. To redecorate the Demised Premises to the satisfaction of the Landlord, with two coats of good quality emulsion paint and other appropriate treatment of all internal parts of the Demised Premises including the ceiling and floor in a good workmanlike manner using suitable and appropriate materials as the Landlord may reasonably and properly require.

6. To make good to the satisfaction of the Landlord all damage to the Demised Premises and the Building resulting from the removal of the Tenant's belongings, reinstatement or redecoration of the Demised Premises.

7. Where clause 4.3.2 is applicable, quietly to yield up the **Exclusive Use Common Areas** in the **Bare and Original Condition** (fair wear and tear excepted) to the satisfaction of the Landlord (after removal of all additions and improvements made by the Tenant to the **Exclusive Use Common Areas** and all fixtures which may be fixed or fastened to or upon the **Exclusive Use Common Areas** by the Tenant), repaired, cleaned, decorated and kept in accordance with the Tenant's covenants contained in this Tenancy Agreement.

8. If the Tenant fails to remove the fixtures and fittings, reinstate, redecorate or make good any damage to the Demised Premises and **Exclusive Use Common Areas** in accordance with the provisions of this **Schedule 14**, the Landlord may effect the same at the Tenant's cost and expense Provided that the Landlord shall carry out such works within a reasonable period and all costs and expenses incurred by the Landlord together with the Rent and Service Charge which the Landlord shall be entitled to receive had the period within which such works effected by the Landlord been added to the Term, shall be paid by the Tenant within seven (7) days of demand from the Landlord, and in this connection, a certificate of the Landlord as to the amount of cost and expenses incurred shall be conclusive and binding on the Tenant.

**Schedule 15**

(referred to in Clause 3.11)

**Covenants affecting use of Demised Premises and Building**

The Tenant hereby covenants with the Landlord as follows:

1. Not to erect nor install in the Demised Premises any machinery which causes noise, fumes or vibration which can be heard, smelled or felt outside the Demised Premises.

2. Not to store in the Demised Premises any petrol or other specially inflammable, explosive or combustible substance.

3. Not to use the Demised Premises for any noxious, noisy or offensive trade or business nor for any illegal or immoral act or purpose.

4. Not to hold any sales by auction on the Demised Premises.

5. Not to hold in or on the Demised Premises any exhibition, public meeting or public entertainment.

6. Not to permit any vocal or instrumental music in the Demised Premises so that it can be heard outside the Demised Premises.

7. Not to permit livestock of any kind to be kept on the Demised Premises.

8. Not to do in or upon the Demised Premises anything which may be or may become or cause a nuisance, annoyance, disturbance, inconvenience or damage to the Landlord or its other tenants of the Building or to the owners, tenants and occupiers of adjoining and neighbouring properties.

9. Not to load, paint or make alterations or additions to or use the floors, walls, ceilings, claddings, curtain wall, its frame structure and its related parts including the fluorocarbon coating thereon or the structure of the Demised Premises in any manner which will cause strain, damage or interference with the structural parts, loadbearing framework, roof, foundations, joists, curtain wall and its related parts and external walls of the Demised Premises or in any manner which will render any related warranties granted in favour of the Landlord null and void and without prejudice to the generality of the foregoing, not to load or permit or suffer to be loaded on any part of the floors of the Building or the Demised Premises to a weight greater than 4.5 KN/m2 (or such other weight as may be prescribed by the Landlord as being applicable to the Demised Premises) and, when required by the Landlord, to distribute the load on any part of the floor of the Demised Premises in accordance with the directions and requirements of the Landlord and in the interpretation and application of the provisions of this paragraph 9, the decision of the surveyor, architect or engineer of the Landlord shall be final and binding on the Tenant.

10. To obtain the prior written consent of the Landlord before bringing upon the Demised Premises any heavy machinery or other plant, equipment or goods with an imposed load in excess of 4.5 KN/m2 (or such other weight as may be prescribed by the Landlord as being applicable to the Demised Premises). The Landlord may direct the routing, installation and location of all such machinery, plant, equipment and goods and the Tenant shall comply with all such directions, and shall make good and indemnify the Landlord in respect of any damage to the Building caused by the bringing in of such machinery, plant, equipment or goods.

11. Not to overload the lifts, electrical installation or Conducting Media in the Demised Premises and/or the Building.

12. Not to do or omit to do anything which interferes with or which imposes an additional loading on any ventilation, air-conditioning or other plant or machinery serving the Building.

13. Not to do anything whereby any policy of insurance on including or in any way relating to the Demised Premises taken out by the Landlord or the Management Corporation may become void or voidable or whereby the rate of premium thereon or on the remainder of the Building may be increased, but to provide one or more efficient fire extinguishers of a type approved by the Landlord and to take such other precautions against fire as may be deemed necessary by the Landlord or its insurers.

14. Not to allow any person to sleep in the Demised Premises nor to use the Demised Premises for residential purposes.

15. Not without the prior written consent of the Landlord to permit the vendors of food or drink or the servants or agents of such vendors to bring to or onto the Demised Premises or any part thereof or onto the Building or any part thereof food or drink for consumption by the occupiers or others in the Demised Premises save and except in the case of the contractor who has been given the right by the Landlord to provide a food and drink service for the occupiers of the Building.

16. To keep the Demised Premises and every part thereof clean and in the fullest possible hygienic condition and to keep all pipes, drains, basins, sinks and water-closets in the Demised Premises clean and unblocked. The Tenant shall not employ in or about the Demised Premises any cleaner other than the cleaning contractor approved by the Landlord to carry out the cleaning work for the Building and the Tenant shall not have any claim against the Landlord in respect of any act, omission or negligence of such cleaner in or about the performance or purported performance of his duties.

17. To keep the Demised Premises free of pests, rodents, vermin and insects.

18. To keep the windows of the Demised Premises closed at all times and not to erect or install any sign, device, furnishing, ornament or object which is visible from the street or from any other building and which, in the opinion of the Landlord, is incongruous or unsightly or may detract from the general appearance of the Building.

19. To ensure that the decor and design of the exterior of the Demised Premises are in accordance with plans and specifications previously submitted to and approved by the Landlord, and not to make any changes to such external parts without the prior written consent of the Landlord.

20. To ensure that all doors of the Demised Premises are safely and properly locked and secured when the Demised Premises are not occupied.

21. Not to cover or obstruct or permit to be covered or obstructed in any manner or by any other article or thing (other than window blinds approved by the Landlord), the windows, sky-lights or ventilating shafts or air inlets or outlets which reflect or admit light or enable air to flow into or out of the Demised Premises or any part of the Building.

22. Not to throw, place or allow to fall or cause or permit to be thrown or placed in the lift shafts, water-closets or other conveniences in the Building any sweepings, rubbish, waste paper or other similar substances, and the Tenant shall on demand pay to the Landlord the costs of repairing any damage to such lift shafts, water-closets or other conveniences arising therefrom.

23. Not to permit or cause to be permitted the placing or parking of bicycles, motor cycles or scooters, trolleys and other wheeled vehicles and/or the stocking or storage or littering of goods or things in the common parts of the Building, the corridors, passageways, pavements and the car-parking areas and to keep all such internal and external parts of the Building clear and free of all obstruction at all times.

24. Not to place or take into the passenger lifts any baggage, furniture, parcels, sacks, bags, heavy articles or other goods or other merchandise save only such light articles as brief-cases, attache cases and handbags and to use only the service lift prescribed by the Landlord for the transportation of furniture, goods and other heavy equipment.

25. Not to permit or allow food trays and tiffin carriers to be brought into or carried in any passenger lift and the Tenant shall ensure that such items are conveyed in the service lift only.

26. Not to permit or allow the contractors, workmen or cleaners (with or without equipment and tools) engaged by the Tenant to use the passenger lifts of the Building and to ensure that they use only the service lift prescribed by the Landlord.

27. Not to solicit business, display or distribute advertising material in the car parks or other common areas of the Building.

28. Not to employ or otherwise engage any foreigner unless he or she holds a valid work permit or employment pass permitting him or her to work at the Demised Premises and without prejudice to the generality of Clause 3.14, not to use, permit or suffer the Demised Premises to be kept or used as a place or premises in which any person is employed in contravention of Section 57(1)(e) of the Immigration Act (Cap 133) or any statutory modification or re-enactment thereof for the time being in force and to indemnify the Landlord against all costs, claims, liabilities, fines or expenses whatsoever which may fall upon the Landlord by reason of any non-compliance thereof.

29. To observe and perform or cause to be observed and performed the rules and regulations from time to time made by the Landlord or the Management Corporation in connection with the orderly and proper use of the lobbies, corridors, staircases, lifts, hoists, lavatories and other parts in common use in the Building and access ways and service areas to the Building and also in connection with the security of the Building.

30. Maintenance and cleaning of toilets and common areas
(only applicable to full wing Tenant)

    Notwithstanding Clause 4.3.1 (iii), in the event that the Demised Premises consists of one (1) whole wing of the floor, the Tenant shall be responsible at its own costs and expenses for the maintenance and cleaning of the toilets and common areas (including but not limited to the pantry areas) serving the Demised Premises exclusively.

## Schedule 16

## Provisions of Renewal

1. The Landlord shall at the written request of the Tenant between six (6) to nine (9) months before the expiration of the Term and if there shall not at the time of such request be any existing breach or non-observance of any of the covenants on the part of the Tenant herein contained and at the Tenant's expense grant to the Tenant a further term ("**Renewed Term**") of the Demised Premises.

2. The Renewed Term shall be for a term specified in paragraph 12 of Appendix A and upon the same terms and conditions as are contained in this Agreement save that this option to renew clause shall be excluded and at a revised rent to be mutually agreed provided that :-

   (i) the Tenant shall have strictly and faithfully performed and observed all and singular the several stipulations contained in this Agreement during the Term and there is no existing breach of this Agreement as at the time of the Lessee's notice of renewal; and

   (ii) the Tenant gives the Landlord notice in writing made not less than six (6) months prior to the expiry of the said Term ("the Renewal Notice") of the Tenant's intent to exercise this Option to Renew and signs and delivers the lease agreement for the Renewed Term to the Landlord not less than six (6) months prior to the expiry of the said Term.

3. Provided Always that within two (2) weeks of the receipt of the Landlord's proposal for the revised rent and the proposed covenants and provisions, the Tenant shall in writing inform the Landlord whether the revised rent, covenants and provisions is or are acceptable or otherwise.

4. In the event that the revised rent or the proposed covenants and provisions is or are not acceptable to the Tenant or if the Tenant fails to give any written unconditional acceptance to the Landlord within the aforesaid two week period, then it shall be deemed that the Tenant is no longer interested in renewing the tenancy and the Landlord shall be free to terminate all negotiations with the Tenant for the renewal of the tenancy.

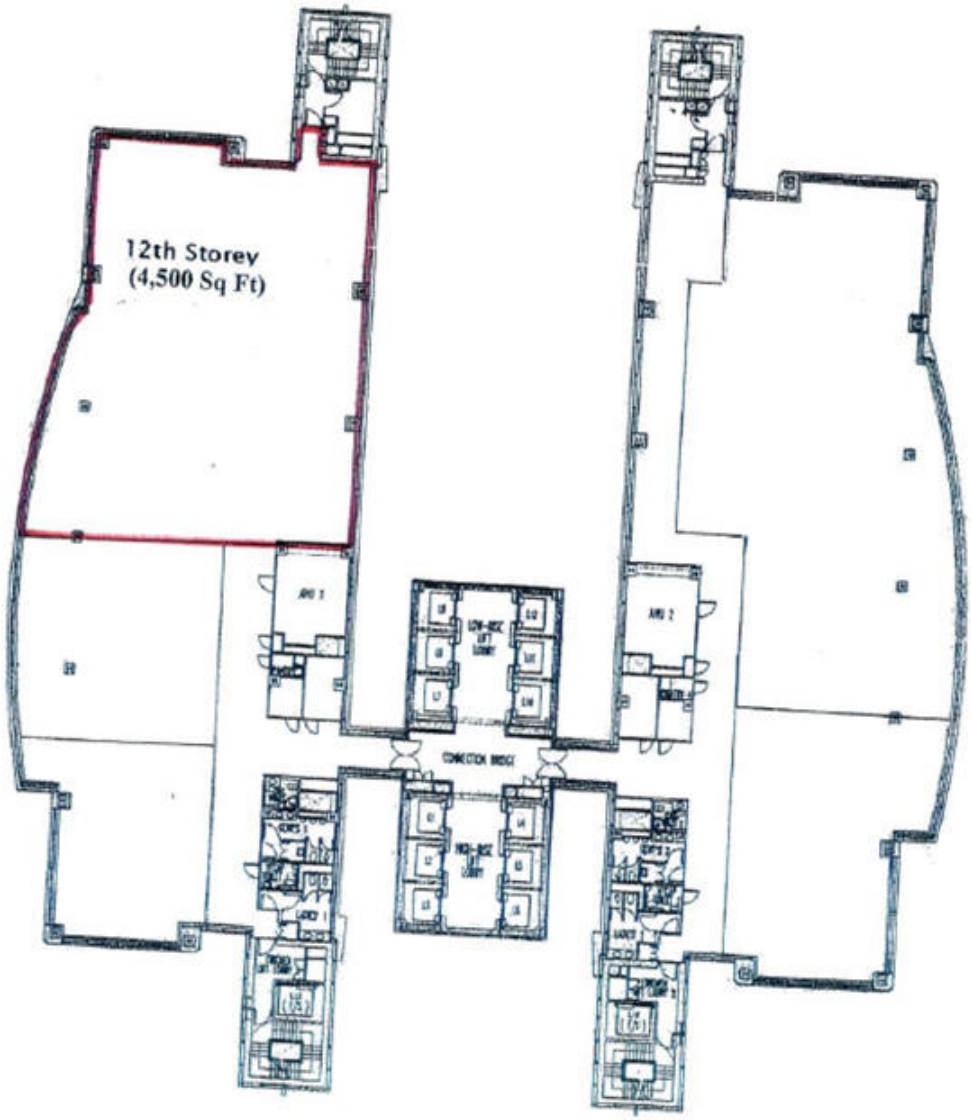
5. If the Landlord's proposal for the revised rent, covenants and provisions has been accepted by the Tenant within the aforesaid two week period, the Tenant shall sign the new tenancy within two weeks of receipt of the new tenancy documents.

**Annexure A**

**Plan of Demised Premises**

Tenant: M/s Asian Pharmaceuticals Pte Ltd

UE SQUARE OFFICE TOWER
FLOOR PLAN




N

UE SQUARE
83 CLEMENCEAU AVE
SINGAPORE 239920

12th Storey

United Engineers Limited

**IN WITNESS WHEREOF** the parties have entered into this Tenancy Agreement the day and year first above written.

**Landlord**
SIGNED BY
for and on behalf of **UNITED**
**ENGINEERS LIMITED** in the presence of:

/s/ Goh Yiow Kuang
Name: Mr Goh Yiow Kuang
Designation: General Manager

/s/ Quek Jing Yi
Name of Witness: Ms Quek Jing Yi
Designation: Head, Corporate Leasing

**Tenant**

SIGNED BY
for and on behalf of **ASLAN**
**PHARMACEUTICALS PTE LTD**
in the presence of:

/s/ Carl Firth
Name: Carl Firth
CEO
Designation: ASLAN Pharmaceuticals
Tenant's company stamp:

/s/ Nishi Singh
Name of Witness: Nishi Singh
NRIC No:
Occupation: Legal Manager

**Exhibit 21.1**

**Subsidiaries of ASLAN Pharmaceuticals Limited**

| Name of Subsidiary | Jurisdiction of Incorporation or Organization |
|---|---|
| ASLAN Pharmaceuticals Pte. Ltd.* | Singapore |
| ASLAN Pharmaceuticals Taiwan Limited (亞獅康股份有限公司)** | Taiwan |
| ASLAN Pharmaceuticals Pty Ltd** | Australia |
| ASLAN Pharmaceuticals Hong Kong Limited (亞獅康藥業香港有限公司)** | Hong Kong |
| ASLAN Pharmaceuticals (Shanghai) Co. Ltd. (亚狮康医药技术 (上海) 有限公司)*** | People's Republic of China |

* Wholly owned by ASLAN Pharmaceuticals Limited
** Wholly owned by ASLAN Pharmaceuticals Pte. Ltd.
*** Wholly owned by ASLAN Pharmaceuticals Hong Kong Limited