

**THE GRAND COURT OF THE CAYMAN ISLANDS****FINANCIAL SERVICES DIVISION****FSD 0301 OF 2024 (DDJ)****IN THE MATTER OF SECTION 94 OF THE COMPANIES ACT (2023 REVISION)****AND IN THE MATTER OF ASLAN PHARMACEUTICALS LIMITED**

WINDING UP PETITION

TO: The Grand Court of the Cayman Islands

The Humble Petition of Andrew James Howden (the **Petitioner**) of 13 Bower Street, Manly, New South Wales, 2095, Australia, in his capacity as a creditor of Aslan Pharmaceuticals Limited (the **Company** and/or **Aslan Cayman**), shows that:

1. The Petitioner seeks an order that the Company be wound up pursuant to section 94 of the Companies Act (2023 Revision) (the **Act**) and Order 3, Rule 5 of the Companies Winding Up Rules (2023 Consolidation) (the **CWR**).
2. The Company is an exempted company with limited liability incorporated on 23 June 2014 and organised pursuant to the Act, with registration number 289175.
3. The registered office of the Company is 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.
4. The Petitioner, Mr Andrew James Howden, is an independent director of Aslan Cayman having been appointed by the board of the Company (the **Board**) on 10 February 2016.
5. The Petitioner is also chairman of the Board having been appointed to this position on 26 July 2019.

The Petitioner

6. As stated above, the Petitioner is an independent director and chairman of Aslan Cayman having been appointed to such positions on 10 February 2016 on 26 July 2019, respectively.
7. The Petitioner entered into an agreement with the Company to act as an independent director on 12 February 2016 (**Agreement**) pursuant to which it was agreed that he would be paid an annual fee of US\$20,000 and be granted 20,000 options in the Company, such amounts being subject to annual review by the Board (**Director Fees**).
8. At a meeting of the board on 27 January 2023, it was resolved that the Director Fees to be paid to the chairman and members of each committee would be increased as follows:
 - (a) Board: US\$70,000 for chairman and US\$40,000 for each member;
 - (b) Audit Committee: US\$20,000 for the chairman and US\$10,000 for each member;
 - (c) Remuneration Committee: US\$12,000 for the chairman and US\$6,000 for each member;
 - (d) Nomination Committee: US\$8,000 for the chairman and US\$4,000 for each member;
 - (e) R&D Committee: US\$10,000 for each member.
9. On 7 June 2024, in accordance with the rates identified in paragraph 8 above, the Petitioner issued an invoice to the Company for payment of Director Fees (being the chairman of the Board and Remuneration committees and a member of the Audit and Nomination committees) for Q1 of 2024 in the amount of US\$24,000 (the **Debt**). As at the date of this Petition, the Debt remains due and owing to the Petitioner.
10. Mr Howden therefore brings this Petition in his capacity as a creditor, rather than an independent director, of the Company. In this regard, certain non-confidential information and documents referred to below with respect to the affairs of Aslan Cayman either became known by the Petitioner or came into the Petitioner's possession (as the case may be) in his capacity as independent director of the Company. Such information is supported by documents exhibited to Mr Howden's affidavit filed in support of this Petition dated 13 September 2024 (**Howden 1**).

Background

11. Aslan Pharmaceuticals Pte Ltd (In Creditors' Voluntary Liquidation) (**Aslan Singapore**) was incorporated in Singapore on 12 April 2010, and is a clinical-stage, immunology-focused biopharmaceutical company that worked on the development of 'eblasakimab', an antibody for the

treatment of allergic inflammatory diseases, and 'farudostat', an oral dihydroorotate dehydrogenase inhibitor designed to treat patients with severe alopecia areata, an autoimmune condition causing hair loss. Aslan Singapore does not hold the compounds outright; however, it holds a license to further develop and commercialise eblasakimab and farudostat. The licensing arrangements enabled Aslan Singapore to advance the molecules through clinical development and potentially bring them to market, while licensors retain ownership of the underlying patent rights and technology.

12. Aslan Cayman was incorporated in the Cayman Islands on 23 June 2014 and became the 100% shareholder of Aslan Singapore.
13. In or around May 2018, American Depositary Shares (**ADS**) in Aslan Cayman were listed on the Nasdaq Global Market, and in September 2022, those ADSs were transferred to the Nasdaq Capital Market.
14. On 12 July 2021, Aslan Cayman (and certain other Aslan Group entities) entered into a loan agreement (the **Loan Agreement**) with K2 HealthVentures LLC (**K2HV**) pursuant to which K2HV agreed to provide to the Company a four-year facility for up to US\$45,000,000 (the **Loan**). The Loan was secured by a pledge of Aslan Cayman's equity interests in its subsidiaries and collateral over its cash, goods, and certain personal property, which was enforceable only if an "event of default", as defined by the Loan Agreement, occurred.
15. On 30 June 2023, the parties agreed to an amendment of the Loan Agreement.
16. On 6 July 2023, Aslan Cayman announced its results from a clinical trial of 'eblasakimab'. While the results were positive, the Company's share price started to drop, and Aslan Cayman was concerned about its ability to pay the principal (as opposed to interest only) which was payable under the Loan Agreement from November 2023.
17. On 6 December 2023, Aslan Cayman entered into a second amendment to the Loan Agreement (**Second Amendment**) pursuant to which K2HV agreed to extend the period during which the Company would not be required to make monthly payments of the outstanding principal amount, meaning no such payments would be required until 1 January 2025. As part of the Second Amendment, the Company paid US\$12,000,000 to K2HV which was applied against the principal amount outstanding. As a result, US\$13,000,000 of the principal amount loaned remained outstanding under the Loan Agreement.

18. On 13 March 2024, Aslan Cayman announced positive results of further testing of 'eblasakimab' and that it had raised US\$5,000,000 in a registered direct offering. However, the Company's share price continued to drop and K2HV increasingly indicated concerns about the Company's ability to repay the Loan. Accordingly, on 29 May 2024, the Company entered into a further amendment to the Loan Agreement (**Third Amendment**) pursuant to which K2HV agreed to refrain from exercising certain right(s) under the Loan Agreement with respect to:
- (a) certain alleged and disputed events of default or potential events of default that may or may not have existed; and
 - (b) any potential future events of default due to the occurrence of a material adverse effect or the Loan Parties' breach of certain provisions of the Loan Agreement;
- for the period from 29 May 2024 to 1 July 2024 (the **Forbearance Period**).
19. The Forbearance Period was subject to further extension until 1 August 2024 upon the Company's receipt of a final term sheet from one or more investors or strategic partners which would result in net cash proceeds of US\$15,000,000 or more (**Successful Funding Event**). Aslan Cayman made various attempts to raise capital so as to constitute a Successful Funding Event, but for various reasons, these attempts were unsuccessful.
20. On 15 July 2024, Aslan Cayman was issued a delisting determination notice from the Nasdaq Stock Market due to its failure to meet continued listing requirements.
21. On 17 July 2024, K2HV declared that events of default had occurred (**Notice of Default**) and sought to enforce its rights under the Loan Agreement.

Aslan Singapore enters voluntary liquidation

22. On 17 July 2024, upon receipt of the Notice of Default, the board of Aslan Singapore resolved:
- (a) that Aslan Singapore could not by reason of its liabilities continue its business; and
 - (b) to appoint Luke Anthony Furler and Tan Kim Han of Quantuma (Singapore) Pte. Limited (**Quantuma Singapore**) as joint and several provisional liquidators for such purposes.
23. On 12 August 2024, at an Extraordinary General Meeting (**EGM**) of Aslan Singapore and later confirmed at a Meeting of Creditors, it was resolved that:

- (a) Aslan Singapore could not by reason of its liabilities continue its business and accordingly should be wound up voluntarily; and
- (b) Luke Anthony Furler and Tan Kim Han of Quantuma Singapore be appointed as joint and several liquidators for the purposes of such winding up.

Grounds for Winding Up

- 24. The Petitioner seeks that the Company be wound up on the basis that is unable to pay its debts pursuant to section 92(d) of the Act.
- 25. Under section 93(c) of the Act, a company will be deemed insolvent if it is proved to the satisfaction of the Court that the company is unable to pay its debts.
- 26. A copy of Aslan Cayman's management accounts prepared to 30 August 2024 (**Management Accounts**) is at pages [*] of Howden 1. The Management Accounts show the 'book value' of the Company's assets and liabilities however, given the Company's current position, further analysis is required to assess its true financial position:
 - (a) Cash at bank of US\$5,766.18, which is likely to a realisable asset;
 - (b) Current assets of US\$5,730,322.70. US\$4,428,879.99 of this sum is an inter-company receivable due from Aslan Singapore and given that Aslan Singapore is in liquidation, this inter-company debt is unlikely to have any realisable value, and in any event is not presently capable of realisation. A further US\$1,247,915.80 is due from a US incorporated subsidiary of Aslan Singapore which is understood to have insufficient assets to meet its liabilities. The Petitioner understands that, with respect to the realisable value of the other receivable and other prepaid expenses also listed as current assets in the sums of US\$49,610.25 and US\$3,916.75, that there is no imminent (if any) prospect of Aslan Cayman realising these sums;
 - (c) Non-current assets of US\$294,779,497.14, being the equity investment of Aslan Cayman in Aslan Singapore. The Petitioner is informed by the liquidators of Aslan Singapore that this claim (or part thereof) will only be paid once all creditors and the expenses of that liquidation are paid in full and the prospects of recovery are therefore very unlikely.
 - (d) Of the Company's US\$300,515,586.11 total assets recorded at book value, only US\$5,766.18 is therefore currently or prospectively capable of realisation; and

(e) Aslan Cayman's current liabilities total US\$7,521,707.47, of which US\$4,743,494.10 is in relation to K2HV's secured claim.

27. Accordingly, on both a balance sheet and a cash flow basis, it appears that the Company is presently unable to pay its debts and there is no prospect of that position improving sufficiently to render the Company solvent.

Notice to Creditors

28. At such time as the Petition is listed for hearing, the Petitioner intends to advertise the details of the hearing (and all other information required by Order 3, Rule 6(4) of the CWR) in the following publications which are most likely to bring the Petition to the attention of the Company's creditors:

- (a) the Cayman Compass, in circulation in the Cayman Islands; and
- (b) the Business Times, in circulation in Singapore.

29. There are there are only eight (8) known creditors located in other jurisdictions, and notice of the hearing and a copy of the Petition can be emailed to those creditors directly.

Orders sought by the Court

30. Given the above, the Petitioner seeks an order that the Company be wound up pursuant to section 94 of the Act, and Order 3, Rule 5 of the CWR.

31. The Petitioner also seeks an order appointing George Kimberley Leck of Quantuma (Cayman) Ltd., and Luke Anthony Furler of Quantuma (Singapore) Pte. Limited (being a foreign practitioner), as joint official liquidators of the Company pursuant to section 105 of the Act, and Order 5, Rule 1(3) of the CWR.

32. George Kimberley Leck:

- (a) is a "qualified insolvency practitioner" as defined in section 89 of the Act and prescribed by Regulation 4 of the Insolvency Practitioners' Regulations (2023 Consolidation) (*IPR*);
- (b) meets the residency requirements contained in Regulation 5 of the IPR;
- (c) meets the independence requirements prescribed by Regulation 6 of the IPR;
- (d) meets the insurance requirements prescribed by Regulation 7 of the IPR and Quantuma (Cayman) Ltd. holds a trade licence which authorises its staff to carry on business as

professional insolvency practitioners; and

(e) consent to his appointment as official liquidator of the Company, if appointed by the Court.

33. Mr Furler is a foreign practitioner qualified under the law of a foreign country (namely, Singapore) to perform functions equivalent to those performed by official liquidators under the Act.

YOUR PETITIONERS THEREFORE HUMBLY PRAY THAT:

1. The Company be wound up pursuant to section 92(d) of the Act.
2. George Kimberley Leck of Quantuma (Cayman) Ltd. of Suite N404, Flagship Building, 142 Seafarers Way, George Town, Grand Cayman, Cayman Islands and Luke Anthony Furler of Quantuma (Singapore) Pte. Limited of 137 Amoy Street, #02-03, Far East Square, Singapore be appointed as the joint official liquidators (**JOLs**) of the Company.
3. The JOLs have the power to act jointly and severally.
4. The JOLs shall not be required to give security for their appointment.
5. In addition to the powers prescribed in Part II of the Third Schedule to the Act which are exercisable without sanction of this Court, the JOLs may also without further sanction or intervention from this Court take any such action as may be necessary or desirable to obtain recognition of their appointment in Singapore and/or in the United States of America and to make applications to the courts of those jurisdictions for that purpose.
6. The JOLs shall be at liberty to change the registered office of the Company without sanction or intervention from this Court.
7. The JOLs be at liberty to appoint such counsel, attorneys, professional advisors and/or any other staff or agents, whether in the Cayman Islands, in Singapore, and/or in the United States of America as they may reasonably consider necessary to assist them in the performance of their duties and on such reasonable terms as they think fit and to remunerate them in respect of their reasonable fees and expenses out of the assets of the Company.
8. The powers granted to the JOLs may be exercised by them within and outside the Cayman Islands.
9. The JOLs' remuneration and expenses be paid out of the assets of the Company in accordance with section 109 of the Act, Part III of the Regulations, and CWR Order 20.

10. The costs of this Petition shall be paid out of the assets of the Company as an expense in the liquidation, such costs to be taxed if not agreed with the JOLs.
11. Such further or other orders be made as the Court shall deem fit.

AND your Petitioner will ever pray etc.

Dated 12 September 2024



Johnstone Law Ltd.

THIS PETITION was presented by Johnstone Law Ltd., attorneys for the Petitioner, whose address for service is the Harbour Centre, 42 North Church St, George Town, Grand Cayman, KY1-1102, Cayman Islands (**Ref:AJ/RZ/0007**)

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman, Cayman Islands on 24 October 2024 at 10:00am.

Any correspondence or communication with the Court related to the hearing of this Petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, George Town, Grand Cayman, KY1-1106, Cayman Islands.